

BY-LAWS

OF

VILLAMONT CONDOMINIUM ASSOCIATION

The Villamont Condominium Association
is a Colorado nonprofit corporation

ARTICLE I.

Offices.

The principal office of the corporation (the Association) shall be 1740 Broadway, Denver, Colorado 80202. The corporation may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the board of directors may from time to time determine.

ARTICLE II.

Membership, Voting, Quorum and Proxies.

1. Membership. The members of the Association shall be as set forth in the articles of incorporation from time to time.
2. Voting Rights. The voting rights of the members shall be as set forth in the articles of incorporation from time to time.
3. Quorum. Except as otherwise provided in these by-laws, the presence in person or by proxy of members

entitled to vote more than 20 percent of the total votes of the members shall constitute a quorum.

4. Proxies. Votes may be cast in person or by proxy. Every proxy must be executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy.

5. Majority Vote. At any meeting of members, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person and by proxy, shall be the act of the members, unless the vote of a greater number is required by law, the articles of incorporation, the condominium declaration (the Declaration) establishing the condominium project of Villamont at Dillon Condominiums (the Premises), or these by-laws.

ARTICLE III.

Administration.

1. Annual Meeting. The annual meeting of the members shall be held at a time designated by the board of directors on the third Friday of January in each year, or at such other date in January or February designated by the board of directors, beginning with the year 1977, for the purpose of electing directors and for the transaction of

such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in Colorado, such meeting shall be held on the next succeeding business day.

2. Special Meetings. Special meetings of the members, for any purpose, unless otherwise prescribed by statute, may be called by the president or by the board of directors, and shall be called by the president at the request of the members entitled to vote 30 percent or more of the total votes of the members.

3. Place of Meeting. The board of directors may designate any place, either within or outside Colorado, as the place for any annual meeting or for any special meeting called by the board of directors. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation is made, or if a special meeting shall be called otherwise than by the board, the place of meeting shall be the principal office of the corporation in Denver, Colorado.

4. Notice of Meeting. Written or printed notice of any meeting of the members, stating the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by

mail to each member entitled to vote at such meeting not less than 10 nor more than 50 days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the member at his address as it appears in the office of the Association. For the purpose of determining members entitled to notice of, and to vote at, any meeting of members, the board of directors may set a record date for such determination of members, in accordance with the laws of Colorado. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at the expense of the Association.

5. Informal Action by Members. Any action required or permitted to 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. Such consent shall have the same force and effect as a unanimous vote of the members, and may be stated as such in any articles or document filed with the Secretary of State of Colorado.

6. Voting. In the election of directors each member shall have the right to vote the number of votes to which he is entitled for as many persons as there are direc-

tors to be elected, and for whose election he is entitled to vote. Cumulative voting shall not be allowed.

ARTICLE IV.

Board of Directors.

1. Number, Tenure and Qualifications. The business and affairs of the Association shall be managed by a board of directors consisting of 3 directors, each of whom shall be an individual member, or a partner, trustee, officer, director or twenty-five percent shareholder of an organizational member, or one of the initial directors named in the articles of incorporation. A person other than an initial director shall automatically cease to be a director at such time as he ceases to be an individual member or a partner, trustee, officer, director or twenty-five percent shareholder of an organizational member. Each initial director shall serve until the first annual meeting; thereafter directors shall serve for one-year terms, and shall be elected annually by the members at annual meetings. Each director shall hold office until the election and qualification of his successor. The number of directors may be changed by amendment of these by-laws in the manner set forth herein.

2. Resignations; Vacancies. Any director may

resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the board of directors (by reason of resignation, death, or an increase in the number of directors) may be filled by the affirmative vote of a majority of the directors then in office, though less than a quorum. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of the members.

3. General Powers. The board of directors shall have and may exercise all the powers of the Association except such as are expressly conferred upon the members, either in their capacity as members of the Association or as owners (the Owners) of condominium units (the Units) by law, or by the articles of incorporation, the Declaration or these by-laws.

4. Additional Powers and Responsibilities. In addition to its general powers, the board of directors shall have the authority and the responsibility, acting through the Association's officers:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations,

obligations and all other provisions set forth in the Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado (Section 38-33-101, et seq., Colorado Revised Statutes, 1973).

(b) To establish, make, amend and enforce compliance with such reasonable rules as may be necessary for the operation, use and occupancy of the Premises.

(c) To adopt rules and regulations governing the operation and use of the common elements. Such rules and regulations may be amended by a majority vote of the board of directors.

(d) To maintain in good order, condition and repair all of the general and limited common elements and all items of personal property used in the enjoyment of the Premises.

(e) To obtain and maintain insurance in connection with the Premises, the Owners, the Association and holders of liens on Units in the manner and the amounts provided in the Declaration.

(f) To fix, determine, levy and collect monthly and special assessments to be paid by each of the Owners to meet the common expenses as defined in the Declaration, and to create a contingency reserve therefor. At the first meeting of the board of directors after the be-

gining of the Association's fiscal year, the board shall adopt an estimated budget for that year. The estimated budget shall include, but shall not be limited to an estimate of the costs of maintenance and repair of the general and limited common elements, the cost of utilities and other services to be provided by the Association, the cost of insurance required by the Declaration, and proposed capital expenditures. For the Association's first fiscal year, estimates of the costs for repair and maintenance of the common elements shall be based on a good faith estimate of those costs and may be based on the costs incurred by similar associations in the general locale of the Premises. Thereafter, the cost of maintenance and repair shall be estimated on the basis of the previous year's costs with such adjustments as the board of directors considers appropriate. The budget shall also include an estimate, based on such estimates, of the annual assessment for each Unit. The board may adjust the monthly assessment from time to time as may in the discretion of the board be deemed necessary or advisable. Special assessments may be levied whenever in the opinion of the board it is necessary or advisable to do so (i) to meet increased operating or maintenance expenses or costs, (ii) to provide for additional capital expenses, or (iii) because of emergencies; however, if the proposed additional capital expenses are in excess of 10 percent of

the maximum replacement value of the buildings, as determined by the Association pursuant to subparagraph 9(a) of the Declaration, such expenses may be incurred only after the members, by the vote of the holders of at least 51 percent of the votes of the members, approve such expenses. All monthly or other assessments shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made. In addition to the provision in the Declaration regarding maintenance and repairs, the monthly assessment may be used to provide for landscaping the common elements and the removal of snow from the common elements.

(g) To collect promptly all delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these by-laws.

(h) To protect and defend the Premises from loss and damage by suit or otherwise.

(i) To borrow funds in order to pay for any expenditure or outlay authorized by these by-laws and the Declaration, to execute all such instruments evidencing such indebtedness as the board of directors may deem necessary or advisable.

(j) To enter into contracts within the scope of their duties and powers.

(k) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the board of directors.

(l) To maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association. Any member or his first lienor, as defined in the Declaration, may inspect such records at convenient weekday business hours. Upon ten days' notice to the managing agent or board of directors and payment of a reasonable fee, any unit 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.

(m) To prepare and deliver annually to each member a statement showing all receipts, expenses or disbursements since the last such statement.

(n) To rent storage space in the general common elements to less than all the Owners, for such consideration and under such conditions as the board shall deem appropriate.

5. Managing Agent. The board of directors may employ a managing agent for the Association at a compensation established by the board to perform such duties and services as the board shall authorize including, but not limited to, the duties listed in paragraph 4 of this Article. Such a delegation shall not, however, relieve the

board of its responsibility under the Declaration.

6. Regular Meetings. Regular meetings of the board of directors may be held without call or formal notice at such places within the State of Colorado, and at such times as the board may from time to time by vote determine. Any business may be transacted at a regular meeting. The regular meeting of the board of directors for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of members, or any special meeting of members at which a board of directors is elected.

7. Special Meetings. Special meetings of the board of directors may be held at any place within the State of Colorado at any time when called by the president, or by two or more directors, upon the giving of at least three days' prior notice of the time and place thereof to each director by leaving such notice with him or at his residence or usual place of business, or by mailing or telegraphing it prepaid, addressed to his post office address as it appears on the books of the Association, or by telephone. Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the directors shall be required.

8. Quorum. A majority of the number of directors fixed by the by-laws shall constitute a quorum for the

transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the directors in attendance shall, except where a larger number is required by law, by the articles of incorporation or by these by-laws, decide any question brought before such meeting.

9. Waiver of Notice. Before, at or after any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him except when such director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

10. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a written consent setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors.

11. Compensation of Directors. The board of directors is authorized to make provision for reasonable compensation to its members.

ARTICLE V.

Officers and Agents.

1. General. The officers of the Association shall be a president (who shall be chosen from among the members of the board of directors), one or more vice presidents, a secretary and a treasurer. The board of directors may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the board of directors. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the by-laws or by the board of directors, such officer, agent or employee shall follow the orders and instructions of the president.

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

3. Vacancies. A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.

4. President. The president shall be elected from among the members of the board of directors and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the board of directors. He shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees.

5. Vice Presidents. The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the board of directors. In the absence of the president, the vice president designated by the board of directors or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made, all vice presidents may exercise such powers and perform such duties.

6. The Secretary. The secretary shall:

(a) Keep the minutes of the proceedings of the members, executive committee and the board of directors;

(b) See that all notices are duly given in accordance with the provisions of these by-laws, the Declaration and as required by law;

(c) Be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the board of directors;

(d) Keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all members, the designation of the Unit owned by each member, and, if such Unit is mortgaged, the name and address of the mortgagee;

(e) In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7. Treasurer. The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the board of directors. He shall receive and give receipts and acquittances for moneys paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of

whatever nature upon maturity. He shall perform all other duties incident to the office of the treasurer and, upon request of the board, shall make such reports to it as may be required at any time. He shall, if required by the board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

ARTICLE VI.

Obligations of The Members

1. Assessments. Each Owner shall pay his share of all assessments imposed by the Association to meet the common expenses (as defined in the Declaration). Each assessment shall be allocated among the Owners on the basis of their respective Sharing Ratios (as defined in the Declaration), or as otherwise set out in the Declaration. If a

Unit is owned by two or more Owners, each of such co-Owners shall be jointly and severally liable for the portion of the assessment attributable to such Unit. Assessments shall be made monthly and shall be due and payable on the date specified in the assessment notice. All unpaid assessments shall bear interest at a rate determined by the board of directors and shall be secured by a lien on the Unit owned by the defaulting Owner, in accordance with the provisions of the Declaration.

2. Maintenance and Repair.

(a) Every Owner shall perform or cause to be performed at his own expense all maintenance and repair work within his own Unit necessary to maintain the Unit in a good and habitable state of repair.

(b) All repairs of internal installations in a Unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures belonging to an apartment Unit shall be at the Owner's expense.

(c) Each Owner shall reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general

or limited common element damaged by the negligence or intentional acts of such Owner or his tenants or guests.

3. Compliance With Declaration, Articles, By-Laws and Rules. Each member shall comply with all of the provisions of the Declaration, the articles of incorporation and by-laws of the Association and any rules and regulations issued by the board of directors. If a member fails to comply, the Association shall have the power, during the period of such delinquency, (a) to revoke a delinquent member's right to use general common elements designed for recreational purposes, (b) to cause utility service to a delinquent member's Unit to be suspended and (c) to suspend a member's voting privileges.

ARTICLE VII.

Evidence of Ownership, Registration of Mailing Address and Lien Holders.

1. Proof of Ownership. Except for those Owners who initially contracted to purchase a Unit from the declarant under the Declaration (the Declarant), any person on becoming an Owner shall furnish to the Association a photocopy or a certified copy of the recorded instrument vesting that person with an interest or ownership in the Premises. Such copy shall remain in the files of the Association. A member shall not be deemed to be in good standing and shall not be

entitled to vote at any annual or special meeting of members unless this requirement is first satisfied. The Association may issue membership certificates to its members; however, such certificates shall not be deemed to be shares of stock in the Association.

2. Registration of Mailing Address. If a Unit is owned by two or more Owners, such co-Owners shall designate one address as the registered address required by the Declaration. An Owner or Owners shall notify the secretary of his or their registered address within five days after any transfer of title or change of address. Such notice shall be written and signed by all of the Owners to which it relates or by such persons authorized to sign on behalf of such Owners.

3. Liens. Any Owner who mortgages or grants a deed of trust covering his Unit shall notify the board of directors of the name and address of the mortgagee or beneficiary of the deed of trust and shall file conformed copies of the note and security instrument with the board of directors. The board of directors shall maintain such information in a book entitled "Liens on Units". The board of directors, when giving notice to an Owner of default in paying an assessment or other default, shall send a copy of such notice to each mortgagee or beneficiary of a deed of trust covering such Owner's Unit whose name and address has

theretofore been furnished to the board of directors.

Each Owner may mortgage his Unit with a mortgage covering such Owner's interest in general and limited common elements. However, except for mechanics' liens, assessment liens, or tax liens, no other liens may be obtained against the general or limited common elements.

4. Address of the Association. The address of the Association shall be 1740 Broadway, Denver, Colorado 80202. Such address may be changed from time to time upon written notice to all members and all mortgagees or beneficiaries of deeds of trust listed in Liens on Units.

ARTICLE VIII.

Security Interest In Membership

Owners shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote their Unit membership in the Association at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they have as Owners under the articles of incorporation and these by-laws or by the virtue of the Declaration. Such proxy shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the Association at such time or times as the mortgagee or the

beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the board of directors or the Owners to carry out their duties as set forth in the Declaration. A release of the mortgage or the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Owners, as mortgagors, of their duties and obligations as Owners or to impose upon the mortgagee or the beneficiary or the deed of trust the duties and obligations of an Owner.

ARTICLE IX.

Amendments.

1. By Directors. Except as limited by law, the articles of incorporation, the Declaration or these by-laws or except as committed to action by the members, the board of directors shall have power to make, amend and repeal the by-laws of the Association at any regular meeting of the board or at any special meeting called for that purpose at which a quorum is represented. However, if the members shall make, amend and repeal any by-law the directors shall not thereafter amend the same in such manner as to defeat or impair the object of the members in taking such action.

2. Members. The members may, by the vote of the

holders of at least 51 percent of the votes of the members (unless a greater percentage is expressly required by law), the articles of incorporation, the Declaration or these by-laws, make, alter, amend and repeal the by-laws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

3. Notwithstanding the foregoing, amendment of these by-laws is subject to the requirements of Section 38-33-106 of Colorado Revised Statutes, 1973.

ARTICLE X.

Miscellaneous.

1. Seal. The corporate seal of the Association shall be circular in form and shall contain the name of the corporation, the year of its organization and the words "Seal" and "Colorado".

2. Right of Entry. The manager and any person authorized by the board of directors shall have the right to enter each Unit in case of any emergency originating in or threatening such Unit whether or not the Owner or occupant is present at the time.

3. Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the board of directors.

4. Services. Attached hereto as Schedule A is a list of services provided by the Association, paid for out of the regular assessment.

5. Assessments, Debts, Obligations. Attached hereto as Schedule B is a statement indicating what assessments, debts, or other obligations are assumed by each Owner.

6. Recreational Facilities. No major recreational facilities are presently planned as part of the Premises.

7. New Additions of General and Limited Common Elements. Attached hereto as Schedule C is a statement relating to new additions of general and limited common elements.

8. Construction with Other Documents. The Declaration, recorded March 10, 1976, in Book 275 at page 856, under Reception No. 155154 of the records of Summit County, Colorado, as it may be amended or supplemented from time to time, and the Articles of Incorporation of Villamont Condominium Association, filed with the Colorado Secretary of State, as they may be amended from time to time, are hereby incorporated herein. The provisions of such instruments shall control in the event of an irreconcilable conflict with the provisions of these by-laws, unless otherwise required by Section 38-33-106 of Colorado Revised Statutes, 1973, as amended.

(END)

SCHEDULE A

Services Provided by the Association and
Paid for out of the Regular Assessment

1. Water and sewer service.
2. Trash removal.
3. Snow removal from roads, parking areas and sidewalks within the Premises, but not from porches, steps or other limited common elements.
4. Insurance, more fully described in paragraph 9 of the Declaration.
5. Normal repair and maintenance of the general common elements.
6. Heating and utility service for the general common elements.

SCHEDULE B

Assessments, Debts, or Other Obligations Assumed By a Unit Owner on his Condominium Unit

1. Assessments. Each Owner will be assessed by the Association his pro rata share of all amounts necessary to pay for those things designated as common expenses in the Declaration. Each Owner's proportion of said expenses shall be his Sharing Ratio, as defined in the Declaration. Special assessments may be levied whenever in the opinion of the board it is necessary or advisable to do so (i) to meet increased operating or maintenance expenses or costs, (ii) to provide for additional capital expenses, or (iii) because of emergencies.

2. Debts. All sums assessed, but unpaid, for the share of common expenses assessed to any Unit shall constitute a lien on such Unit in favor of the Association. This lien is more fully described in subparagraphs 8(b) and 8(d) of the Declaration.

3. Obligations. Although the Declarant does not anticipate that the Owners will purchase their Units subject to any liens, except for the lien imposed by law for real property taxes levied on the Unit for the year in which the Unit is purchased, there are liens imposed by the laws of

the United States and the State of Colorado which may not appear of record. Each prospective Owner is advised to avail himself of a title insurance commitment prior to closing of title on a Unit.

Each Owner may mortgage his Unit and the mortgage may cover such owner's interest in general and limited common elements. However, except for mechanics' liens, assessment liens, or tax liens, no other liens may be obtained against the general or limited common elements.

SCHEDULE C

New Additions of General and Limited
Common Elements

I. The effect of an Owner in reference to his obligation for payment of the common expenses.

If Declarant subjects remaining portions of the Land (as defined in the Declaration) to the Declaration, there will be new additions of general and limited common elements. In the event of an addition of general common elements, there will be an increase in common expenses (as defined in the Declaration) and each Owner's assessment for common expenses will be increased in accordance with each Owner's Sharing Ratio (as defined in the Declaration). However, an addition of limited common elements will, pursuant to subparagraph 7(c) of the Declaration, only affect the assessment of those persons entitled to the use of the additional limited common elements. Of course, with the addition of general common elements, there will probably be an addition of Units, in which case the increase in common expenses will be totally or partially defrayed by the additional Owners who will be assessed their pro rata share of common expenses in accordance with their Sharing Ratios.

II. The effect on an Owner in reference to his ownership

interest in the existing general and limited common elements and new general and limited common elements.

In the event that there are new additions of general and limited common elements, each Owner shall have the same ownership interest in the new general and limited common elements, which interest is set forth in Exhibit B of the Declaration. His ownership interest in existing general and limited common elements shall remain unaffected. The interest in general and limited common elements of Owners who may in the future become subject to the Declaration by virtue of subparagraph 2(c) of the Declaration shall be determined in accordance with the provisions in subparagraph 2(c) of the Declaration.

III. The effect on an Owner in reference to his voting power in the Association.

The new addition of general and limited common elements shall have no effect on an Owner in reference to his voting power in the Association. However, the addition of new Units will have the effect of decreasing each unit Owner's voting power. The reason for such decrease is a diminution in the Owner's Sharing Ratio, which is used to determine an owner's voting power. (See the articles of incorporation, Article V(c)).