

BY-LAWS

of

WELLINGTON - III CONDOMINIUM ASSOCIATION, INC.
a nonprofit corporation under the
laws of the State of Colorado

I. IDENTITY

These are the By-Laws of Wellington - III Condominium Association, Inc., a corporation not for profit under the laws of the State of Colorado.

The Association has been organized for the purpose of administering property owned in condominium located upon the following lands in Mesa County, Colorado, to-wit:

See Exhibit A attached hereto and by
this reference made a part hereof.

1. The office of the Association shall be at Suite 25, 1000 North 9th Street, Grand Junction, Colorado 81501.

2. The fiscal year of the Association shall be _____

3: (a) The provisions of these By-Laws are applicable to all of Wellington III Condominiums located upon the above-described property (referred to as Development); and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions and authorization contained in the Articles of Incorporation and which may be contained in the Declaration of Covenants and Restrictions for Wellington - III Condominium Association, Inc. (referred to as Declaration), which will be recorded in the Recorder's Office, Mesa County, Colorado, at the time said property and the improvements now situated thereon are submitted to the plan of condominium ownership, the terms and provisions of said Articles of Incorporation and Declaration to be controlling wherever the same may be in conflict herewith.

(b) All present or future owners, tenants, future tenants, or their employees, or any other person that might use the Development or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in said Articles of Incorporation and Declaration.

II. MEMBERS

1. THE ANNUAL MEMBERS' MEETING shall be held at the office of the corporation or at such other place in Mesa County, Colorado, as may be designated in any notice of the meeting, at _____, on the _____ in _____ of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the meeting. In the event the aforesaid date is impractical, the meeting shall be held at the same hour on the next succeeding _____.

2. SPECIAL MEMBERS' MEETINGS shall be held whenever called by the President or Vice President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from one-third of the entire membership.

3. NOTICE OF ALL MEMBERS' MEETINGS stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at the address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meetings may be waived before or after meetings.

4. A QUORUM at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

5. THE VOTE of the owners of a unit owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the owners of the unit and filed with the Secretary of the Association. Such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose. Each unit owner shall be entitled to the number of votes out of 100 total votes which are equivalent to his percentage ownership of the common elements as set forth in Exhibit B of the Declaration.

6. PROXIES. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

7. APPROVAL OR DISAPPROVAL of a unit owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

8. ADJOURNED MEETINGS. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

9. THE ORDER OF BUSINESS at annual members' meetings, and, as far as practical at all other members' meetings, shall be:

- (a) Election of chairman of the meeting.
- (b) Calling of the roll and certifying of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers.
- (f) Reports of committees.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New Business
- (j) Adjournment.

III. DIRECTORS

1. The Board of Directors shall consist of not less than three (3) persons nor more than nine (9) as is determined from time to time by the members. Each member of the Board of Directors shall be either the owner of a unit or of an interest therein or any employee of such owner.

2. Election of Directors shall be conducted in the following manner:

(a) Members of the Board of Directors shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association.

(b) Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors.

(c) Anything herein contained to the contrary notwithstanding, for so long as Wellington - III, a Colorado joint venture, owns not less than _____ per cent of the common elements comprising Wellington - III Condominiums, shall elect a majority of the Directors, who need not be occupants of Wellington - III Condominiums. Wellington - III, a joint venture, may designate and select the person

or persons to serve as a member or members of each of the said Board of Directors in the manner provided in the By-Laws of the Association.

(d) In the event Wellington - III, a joint venture, in accordance with the privilege granted unto it, selects any person or persons to serve on any Board of Directors of the Association, it shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or persons to serve on any Board of Directors of the Association, which shall be by written instrument delivered to any officer of the Association, which instruments shall specify the name or names of the person or persons to be removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Wellington - III, a joint venture, to any officer of the Association.

3. The term of the Directors named herein and in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of members and they have been duly qualified. At the first annual meeting of the members, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The terms of office of the Director receiving the second greatest number of votes shall be fixed at two (2) years, and the term of office of the other Director or Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

4. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they are elected, and no further notice of the organizational meeting shall be necessary providing a quorum shall be present.

5. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given each Director, personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived.

6. Special meeting of the Directors may be called by the President and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

7. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

8. A quorum at Directors' meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except as specifically otherwise provided in the Declaration. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice, and the signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

9. THE PRESIDING OFFICER of Directors' meetings shall be the Chairman of the Board if such an officer has been elected, and if none, then the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

10. DIRECTORS 'FEES, if any shall be determined by the members.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board of Directors including those existing under the common law and statutes, the Articles of Incorporation of the Association and the documents establishing the Condominium. Such powers and duties of the Directors shall be exercised in accordance with the provisions of the Declaration which governs the use of the land, and shall include but not be limited to the following:

1. TO MAKE AND COLLECT ASSESSMENTS against members to defray the costs of maintaining and administering the Development.

2. TO USE THE PROCEEDS of assessments in the exercise of its powers and duties.

3. THE MAINTENANCE repair, replacement and operations of the Development.

4. THE RECONSTRUCTION of improvements after casualty and the further improvement of the property.

5. TO MAKE AND AMEND REGULATIONS respecting the use of the Development.

6. TO EXERCISE THE OPTION RIGHTS or to waive the same, in the manner provided in the Declaration.

7. TO ENFORCE by legal means the provisions of the Condominium documents, the Articles of Incorporation, the By-Laws of the Association, and the regulations of the use of the property in the Development.

8. TO CONTRACT FOR MANAGEMENT of the Development and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the Condominium documents to have approval of the Board of Directors or the membership of the Association.

9. TO PAY TAXES AND ASSESSMENTS, which are liens against any part of the Development other than individual units and the appurtenances thereto, and to assess the same against the units subject to such liens.

10. TO PAY THE COST of all power, water, sewer and other utility services rendered to the Development and not billed to owners of individual units.

11. TO EMPLOY PERSONNEL for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

V. OFFICERS

1. THE EXECUTIVE OFFICERS of the Association shall be President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary or Assistant Secretary. The Board of Directors shall from time to time elect such other officers and designate their power and duties as the Board shall find to be required to manage the affairs of the Association.

2. THE PRESIDENT shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

3. THE VICE PRESIDENT shall in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other power and perform such other duties as shall be prescribed by the Directors.

4. THE SECRETARY shall keep the minutes of all proceedings of the Directors and the members. The Secretary shall attend to the giving and service of all notices required by law; shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed; shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

5. THE TREASURER shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the members, shall keep the book of the Association in accordance with good accounting practices; and shall perform all other duties incident to the office of Treasurer.

6. THE COMPENSATION of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Directors as an employee of the Association nor preclude the contracting with a Director for the management of the Development.

VI. INDEMNIFICATION

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, or any settlement thereof, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties provided that in the event of a settlement then the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

VII. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and Articles of Incorporation shall be supplemented by the following provisions:

1. ASSESSMENT ROLL. The assessment roll shall be maintained in a set of accounting books in which there shall be designated the name and address of the owner or owners, the dates and amount in which the assessment comes due, the amounts paid upon accounts and the balance due upon assessments.

2. BUDGET

(a) The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to the following items:

(1) Common Expense Budget:

- (i) Maintenance and operation of Common Elements and Community Area Landscaping. Roofs and gutter systems. Streets and walkways, including snow removal. Parking spaces
- (ii) Utility services
- (iii) Casualty insurance
- (iv) Liability insurance
- (v) Administration

(2) Proposed assessments against each member.

(b) Copies of the proposed budget and proposed assessments for the ensuing year shall be transmitted to each member on or before December of the year prior to that budget.

(c) In determining the budget for any given year, the Board shall first apply any surpluses remaining from the prior year's budget and reduce the proposed budget accordingly.

3. THE DEPOSITORY of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

4. AN AUDIT of the accounts of the Association shall be made annually and a copy of the report shall be furnished to each member not later than April 1 of the year following the year for which the report is made.

5. FIDELITY BONDS. The Association shall purchase, in an amount not less than 150 per cent of the Association's estimated annual operating expenses and reserves, fidelity coverages against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

VIII. PARLIAMENTARY RULES.

Roberts Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Articles of Incorporation and By-Laws of the Association or with the Statutes of the State of Colorado.

IX. AMENDMENTS

These By-Laws may not be amended unless the owners representing an aggregate ownership of at least 75 per cent of the common elements and at least 75 per cent of the holders of the first mortgages consent and agree to such amendments.

X. MISCELLANEOUS

1. Waivers of Notice. Whenever notice is required by law, by the Certificate of Incorporation or by these By-Laws, a waiver thereof in writing signed by the Directors, member or other person entitled to said notice, whether before, at or after the time stated therein, or his appearance at such meeting in person or, in the case of a members' meeting, by proxy, shall be equivalent to such notice.

2. Seal. The corporate seal of the corporation shall be circular in form and shall contain the name of the corporation and the words "Seal - Colorado."

I do hereby certify that the above By-Laws were adopted at a special meeting of the Board of Directors of the Corporation held at _____ on _____, 1981..

Secretary

LEGAL DESCRIPTION

Lot 1, WELLINGTON BUSINESS PARK, Mesa County, Colorado