

BYLAWS
of
**ORCHARD VALLEY WEST HOMEOWNERS
ASSOCIATION, INC.**

***ARTICLE I
NAME AND LOCATION***

Section 1. The name of the corporation is Orchard Valley West Homeowners Association, Inc., hereinafter referred to as the "Association."

The principal office of the corporation shall be located at P.O. Box 91, Fruita, CO 81521, but meetings of members and directors may be held at such places within the State of Colorado, County of Mesa, as may be designated by the Board of Directors.

***ARTICLE II
DEFINITIONS***

Section 1. "Association" shall mean and refer to Orchard Valley West Homeowners Association, Inc. its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions of Orchard Valley West Subdivision, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Clerk and Recorder of Mesa County, Colorado.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held during the first quarter of each year thereafter.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meeting. Written notice of each meeting of the members shall be given by, or at the discretion of, the secretary or person authorized to call the meeting, at least fifteen (15) days before such meeting to each member entitled to vote thereat. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. At any regularly scheduled meeting held pursuant to proper notice, whether annual, special, or otherwise, a majority of those present (in person or by proxy) at the meeting shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws.

Section 5. 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 their lot.

ARTICLE IV
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of five to nine directors.

Section 2. Election of Directors/Term of Office. At the first annual meeting, to be held during the first quarter of 2004, association members shall either (a) confirm the appointment of the directors selected at the June 9, 2003 organizational meeting, or (b) elect successor directors. Directors term of office shall be two years.

Section 3. Removal. Any director may be removed from the Board, with cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, their successor shall be selected by the remaining members of the Board, shall serve for the unexpired term of their predecessor, and shall be confirmed by the membership at the next annual meeting.

Section 4. Compensation. No director shall receive compensation for any service they may render to the Association. However, any director may be reimbursed for their actual expenses incurred in the performance of their duties.

Section 5. Action Taken without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association.

Section 3. Quorum. A majority of directors present at any meeting shall constitute a quorum for the transaction of business. Every act or decision done or made by such a quorum shall be regarded as the act of the Board.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the irrigation facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by five-sevenths (5/7) of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot.
 - (2) send written notice of each assessment to every Owner subject thereto in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any persons, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, vice-president, secretary and treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for staggered terms unless they shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A

successor director shall be appointed by the remaining members of the Board and shall serve for the unexpired term of the predecessor director, which appointment shall be confirmed by the membership at the next annual meeting.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer they replace.

Section 7. 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 except in the case of a special office created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds and other written instruments.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the president's absence, inability or refusal to act; and shall exercise and discharge such other duties as may be required by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the 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 the Board.

(d) 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 Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; 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.

Section 9. Banking Procedure. All officers shall be signatory on the Association bank account. All checks drawn on the account require the signature of two officers.

ARTICLE VIII
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any voting member. The Declaration, the Articles of Incorporation and the 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 reasonable cost.

ARTICLE IX
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18 percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of their Lot.

ARTICLE X
AMENDMENTS

Section 1. These Bylaws may be amended, at any duly noted regular or special meeting of the members, by majority vote of those present.

ARTICLE XI
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being the directors of the Orchard Valley West Homeowners Association, Inc., have hereunto set our hands this 17th day of November, 2003.

Toni Hassler
Toni Hassler
President

Joe Barcott
Joe Barcott
Vice-President

Lorie Gregor
Lorie Gregor
Secretary

Jerry Wilds
Jerry Wilds
Treasurer

Jennifer Denke

Okey Rounsavell
Okey Rounsavell

Doug Novotny
Doug Novotny

CERTIFICATION

That I am the duly elected and acting secretary of Orchard Valley West Homeowners Association, Inc., a Colorado corporation, and,

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 17th day of November, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17th day of November, 2003.

Lorie Gregor
Lorie Gregor, Secretary