

**BYLAWS
OF
MAJESTIC PLAZA CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation**

**ARTICLE I
Functions**

Section 1.1 Purposes and Objects. The purpose for which this nonprofit corporation (the "Association") is formed is to govern Majestic Plaza Condominiums, a condominium project situate in Gunnison County, Colorado, in accordance with the terms and conditions of the Condominium Declaration for Majestic Plaza Condominiums (the "Condominium Declaration"), and the Articles of Incorporation and Bylaws of the Association.

Section 1.2 Compliance. All present or future owners, tenants, future tenants or any other person who might use the facilities of the condominium project in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of the condominium units or the mere act of occupancy of such condominium units will signify that these Bylaws are accepted, ratified and will be complied with.

**ARTICLE II
Membership**

Section 2.1 Members. The owner of a condominium unit, upon becoming such owner, shall be entitled and required to be a member of the Association and shall remain a member for the period of ownership of the condominium unit.

Section 2.2 Appurtenant Right. There shall be one membership in the Association for each condominium unit. Such membership shall be appurtenant to the condominium unit and shall be transferred automatically by a conveyance of the condominium unit to a new owner.

Section 2.3 Voting. Each membership shall be entitled to one vote, and in the event the membership is held by more than one owner, the vote must be cast only as a single vote and split or divided votes of membership shall not be allowed.

Section 2.4 Transfer. No person other than an owner of a condominium unit may be a member of the Association and a membership may not be transferred except in connection with the conveyance or transfer of the condominium unit; provided, however, that such membership may be assigned to the holder of a

mortgage or deed of trust as further security for the loan secured by the lien of such holder upon the condominium unit.

Section 2.5 Person. The term "person" for the purpose of membership shall include a corporation, partnership, limited liability company, trust, joint venture or other legal entity that has valid title to any condominium unit. Any officer, director, shareholder, partner, manager, trustee, or joint venturer of such entity may exercise the membership rights of the entity and shall further be entitled to serve on the board of directors and as an officer of the Association.

Section 2.6 Termination. Such membership shall terminate without any formal corporate action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former condominium unit owner from any liability or obligation incurred under or in any way connected with Majestic Plaza Condominiums during the period of such ownership and membership in the Association, or impair any rights or remedies which the board of directors or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE III Meetings

Section 3.1 Annual Meetings. The annual meeting of the membership shall be held on the second Friday in the month of March of each year, beginning in the year 1996, at a time and place set forth in the notice of said meeting. At the annual meeting the membership shall elect the board of directors and transact such other business as may properly come before it.

Section 3.2 Special Meetings. Special meetings may be called at any time by the board of directors, the president, or upon a written request signed by a majority of the members. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three-fourths of the owners present, either in person or by proxy.

Section 3.3 Notice of Meeting. Notice of the date, place and time of the annual meeting, or any special meeting, shall be given to each member either by delivering such notice to the member personally, or by mailing the same to him by United States mail, which notice shall be given not later than ten days prior to the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership register of the Association, with postage prepaid thereon.

A member may waive notice of any meeting.

Section 3.4 Quorum. A majority of the members of the Association in good standing and in actual attendance in person or by proxy at any annual or special meeting of the Association shall constitute a quorum at such meeting for the purpose of transacting business. If a quorum is present, the affirmative vote of a majority of the members present at such meeting in person or by proxy and entitled to vote on the subject matter shall be the act of the membership, unless the vote of a greater number is required by the Articles of Incorporation, the laws of the State of Colorado or the Condominium Declaration.

Section 3.5 Voting of Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven months from the date of this execution unless otherwise provided in the proxy.

Section 3.6 Order of Business. The order of business at the annual meeting, and as applicable at any special meeting, shall be as follows:

1. Roll call
2. Proof of notice of meeting
3. Reading and approval of any unapproved minutes
4. Reports of officers and committees
5. Election of directors
6. Unfinished business
7. New Business
8. Adjournment

Section 3.7 Majority of Members. The term "majority of members" shall mean the owners of more than fifty percent of the condominium units.

ARTICLE IV Board of Directors

Section 4.1 Number of Directors. The initial number of directors shall be five. The number of directors may be increased or decreased to not less than three nor more than seven by a majority vote of the board of directors.

Section 4.2 Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the Association. Such powers and duties shall include, but shall not be limited to, the following:

4.2.1 Exercising all power, duty and authority vested in or delegated to the board of directors under the Articles of Incorporation and Bylaws of the Association.

4.2.2 Exercising all power, duty and authority vested in or delegated to the board of directors under the Condominium Declaration.

4.2.3 Fixing, collecting and enforcing all assessments as provided for in the Condominium Declaration.

4.2.4 Exercising any and all powers granted to the Association by the Colorado Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as the same now exist or may hereafter be amended from time to time.

4.2.5 Exercising any other power permissible under applicable Colorado law.

4.2.6 Commencing and maintaining, in its own name, on its own behalf, or in the names and on behalf of unit owners who consent thereto, suits and actions to restrain and enjoin any breach or threatened breach of the rules and regulations of the Association.

Section 4.3 Tenure. Each director shall hold office for a term of three years from the date of his election and until his successor shall have been elected and qualified to office, subject only to the provisions of these Bylaws concerning removal of directors, subject only to the provisions of Section 4.5.

Section 4.4 Qualifications. All directors shall be members of the Association, subject, however, to the provisions of the Condominium Declaration and the Articles of Incorporation, which reserve unto the declarant the right to appoint directors who need not be members of the Association.

Section 4.5 Term of Office. Directors shall be elected at each annual meeting and shall serve for a term of three years; provided, however, that at the organizational meeting of the board of directors, one director shall be elected for a term of three years, one director shall be elected for a term of two years, and one director shall be elected for a term of one year. Thereafter a director shall be elected for a term of three years to fill the vacancy of a director whose term expires.

Section 4.6 Elections. Elections for the board of directors shall be by ballot, either oral or written, with the person receiving the highest number of ballots cast for such director vacancy being declared elected. Cumulative voting shall not be allowed in the election of directors.

Section 4.7 Vacancies. The board of directors is empowered to fill any vacancy that may occur in its own body, or among the officers of the Association, and the person so appointed to such office shall hold that office until the expiration of the term of the person he succeeds.

Section 4.8 Compensation. No director shall be entitled to receive any compensation as a director of the Association; provided, however, that he may be reimbursed for any actual expenses incurred in the performance of his duties as a director.

Section 4.9 Chairman and Secretary. The president of the Association shall be the chairman of the board of directors and the secretary of the Association shall be the secretary of the board of directors.

Section 4.10 Regular Meetings. The regular meeting of the board of directors shall be held without other notice than this Bylaw immediately after and at the same place as the annual meeting of the members of the Association. Additional regular meetings shall be held at a time and place to be designated in the notice of such meetings.

Section 4.11 Special Meetings. Special meetings of the board of directors may be called by the president or any two directors. Any special meeting shall be held at a time and place designated in the notice of such meeting.

Section 4.12 Telephonic Meetings. All members of the board of directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 4.13 Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number of directors is required by the Articles of Incorporation, the statutes of the State of Colorado, or the Condominium Declaration.

Section 4.14 Notice. Notice of any meeting of the board of directors shall be given at least three days prior thereto by written notice delivered personally to a director or mailed to each director by United States mail at his address as shown on the membership roll of the Association. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the board of directors must be specified in a waiver of notice of such meeting.

Section 4.15 Removal. Directors may only be removed at a meeting of the membership called in accordance with the requirements of Article III. The entire

board of directors or a lesser number may be removed, with or without cause, by a vote of a majority of the members in good standing present at such meeting in person or by proxy.

ARTICLE V Officers

Section 5.1 Number. The officers of the Association shall be a president, vice president, secretary and treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person, except that the office of president and secretary may not be held by the same person.

Section 5.2 Tenure. The officers set forth in this Article shall be elected at the annual meeting of the board of directors and shall hold office until the next annual meeting of the board of directors and until their successors have been elected and qualified, subject only to the provisions of these Bylaws concerning removal of officers.

Section 5.3 Qualifications. The president, vice president, secretary and treasurer shall be members of the board of directors. Any additional officers elected or appointed by the board of directors need not be members of the board of directors.

Section 5.4 Election. The officers of the Association shall be elected by the board of directors by ballot, oral or written, with the person receiving the majority of the ballots cast for such office being declared elected.

Section 5.5 Vacancy. A vacancy in any office because of the death, resignation, removal, disqualification or inability to act shall be filled by the board of directors for the unexpired portion of the term of that office.

Section 5.6 President. The president shall be the principal executive officer of the Association and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and of the board of directors. He may sign, with the secretary or any other proper officer of the Association thereunto authorized by the board of directors, deeds, mortgages, contracts or other instruments, and in general, shall perform all duties incident to the office of the president and such other duties as may be prescribed by the board of directors from time to time.

Section 5.7 Vice President. In the absence of the president, or in the event of his death or inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all of the powers of the

president and be subject to all the restrictions upon the president and shall perform such other duties as from time to time may be assigned to the vice president by the president or the board of directors.

Section 5.8 Secretary. The secretary shall: (a) keep the minutes of the members' meetings and of the board of directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized; and (d) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the board of directors.

Section 5.9 Treasurer. The treasurer shall: (a) if required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties, as the board of directors shall determine; (b) shall be responsible for all funds of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever; deposit all such monies in the name of the Association in such banks as shall be selected by the board of directors; sign checks and drafts for the payment of corporate funds; and (c) in general, perform all of the duties as from time to time may be assigned to him by the president or by the board of directors.

Section 5.10 Compensation. No officer shall be entitled to receive any compensation as an officer of the Association; provided, however, that he may be reimbursed for any actual expenses incurred in the performance of his duties as an officer.

Section 5.11 Removal. Any officer may be removed by the board of directors whenever, in the board's judgment, the best interests of the Association would be served thereby. Such removal can be accomplished at any special meeting of the board of directors called in accordance with the requirements of Article IV. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

ARTICLE VI

Contracts, Loans, Checks and Deposits

Section 6.1 Contracts. The board of directors may authorize by resolution any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

Section 6.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 6.3 Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by any one of the following officers of the Association:

President
Vice President
Secretary
Treasurer

Section 6.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the board of directors may elect.

ARTICLE VII Fiscal Year

The fiscal year of the Association shall begin on the 1st day of January and terminate on the 31st day of December of each year.

ARTICLE VIII Seal

The board of directors shall provide a corporate seal that shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the word, "SEAL".

ARTICLE IX Waiver of Notice

Whenever any notice is required to be given to any member or director of the Association under the provisions of these Bylaws or under the provisions of the laws of the State of Colorado, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X Indemnification of Officers and Directors

The Association shall indemnify the officers and directors of the Association to the full extent permitted by the statutes of the State of Colorado;

provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any member who is or has been an officer or director of the Association with respect to any duties or obligations assumed or liabilities incurred by them under and by virtue of the Condominium Declaration as an individual owner of a condominium unit covered hereby and not as a director or officer of the Association.

ARTICLE XI
Obligation of the Unit Owners

Section 11.1 Assessments. Except as is otherwise provided in the Condominium Declaration, all condominium unit owners shall be obligated to pay the regular and any special assessments imposed by the Association to meet the common expenses. A member shall be deemed to be in good standing and entitled to vote at any annual meeting or at a special meeting of members, within the meaning of these Bylaws, if and only if such members shall have fully paid all assessments made or levied against them and the condominium unit owned by them as of the date of such meeting. The Association shall have the authority to impose liens for nonpayment as set forth in the Condominium Declaration.

Section 11.2 Rules and Regulations. The board of directors shall have the power to establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, use and occupancy of the condominium project with the right to amend the same from time to time.

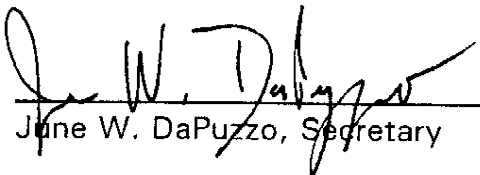
ARTICLE XII
Amendments

These Bylaws may be altered, amended or repealed and new bylaws adopted by the board of directors upon an affirmative vote of not less than two-thirds of the entire membership of the board of directors.

ARTICLE XIII
Assumed Obligations

Upon conveyance of a unit to any unit owner, the same shall be subject to all unpaid assessments of the Association thereon, and the same are deemed assumed by the unit owner upon conveyance thereof to him, together with any and all other liens and encumbrances placed thereon in accordance with applicable law.

Adopted this 22nd day of July, 1996



June W. DaPuzzo, Secretary