

2/21
FINAL ?

THE BY-LAWS
OF THE VIENNA TOWNHOMES ASSOCIATION

ARTICLE I
AMPLIFICATION

These By-Laws of The Vienna Townhomes Association, shall be read as amplification to provisions contained in the Declaration of Conditions, Covenants, Restrictions and Easements Regarding the Breckenridge Quadrangle Townhouses, now The Vienna Townhomes, and to provisions further set forth in the Articles of Incorporation of The Vienna Townhomes.

ARTICLE II
MEETINGS

Section 1. ANNUAL MEETING OF MEMBERS. The members of the Association shall meet at least once annually, and such annual meeting shall be held on the first Saturday in December of each year at a convenient location in Summit County, Colorado, to be designated by the Board of Managers. The business of the annual meeting shall include the adoption of a budget of operations and assessments for the ensuing year, the selection of members to the Board of Managers, and such other matters as may properly be brought before the meeting.

Section 2. SPECIAL MEETING OF MEMBERS. The members of the Association may be called to a special meeting at any time, provided the meeting is called by the Chairman of the Board of Managers, by a majority decision of the members of the Board of Managers, or by a written request brought forth by members who are entitled to cast one-fourth (1/4) of all the votes in the Association. Such special meetings shall be held at any convenient location in the State of Colorado.

Section 3. MEETING OF BOARD OF MANAGERS. The Board of Managers shall meet as often as necessary to conduct the affairs of the Association and may meet at any location convenient to the majority of its members.

Section 4. MEETING FORMAT AND PROCEDURES. The Chairman of the Board of Managers or his delegated representative shall preside at all meetings. The format of all meetings shall be in accordance with Roberts Rules of Order or otherwise as agreeable to a majority of the Quorum present. Minutes shall be kept at all meetings, which minutes shall record all substantive decisions.

Section 5. NOTIFICATION OF MEETINGS. 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 ten (10) nor more than fifty (50) days before the date of the meeting, and the postmark date shall be the date of notice.

Section 6. QUORUM. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-half of the votes of each class of membership shall constitute a

quorum for any action except the amendment of the Declaration, Articles or By-Laws, or the approval of expenditures for Capital improvements.

ARTICLE III VOTING

Section 1. MEMBERSHIP AND VOTING. There shall be two classes of voting membership as set forth in Article IV, Section 2 of the Declaration.

Section 2. DISQUALIFIED MEMBERS. The Association may suspend the voting rights of a member for non-payment of assessments when due or for failure to comply with any of the obligations of the Owners of Townhouse Units under the Declaration, Articles, and By-Laws, or the Rules and Regulations adopted by the Board of Managers pursuant thereto.

Section 3. NUMBER OF VOTES REQUIRED TO DECIDE ISSUES. A vote of seventy-five percent (75%) of the members or their proxies of both classes of membership shall be required to amend these By-Laws, the Declaration, or the Articles, or to pass upon and approve any expenditures for capital improvements proposed, except, as regards proposed expenditures for capital improvements, Article V, Section 9 of, the Declaration shall prevail and may not be amended without the consent of the Developer. All other matters, including the selection of Board members, the fixing of annual assessments and adjournment shall be decided by a majority vote of the Quorum present at any meeting duly convened.

Section 4. PROXIES. Voting by proxy shall be permitted. Proxies must be executed in writing by the Owner or co-owners or any duly authorized attorney-in-fact for same, and must be filed with the secretary before the appointed time of each meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

Section 5. VOTING BY MAIL. Any action required to be taken, or any action which may be taken, at a meeting of the members may be taken via voting by mail according to the following procedure. Written notice shall be sent to all members detailing the proposed action, which notice shall contain a ballot for voting by mail. The said notice shall contain a due date and no vote received after that date shall be counted. Provisions of these By-Laws regarding disqualification of members, votes required to decide issues and Quorums, and the provisions of Article IV in the Declaration regarding membership, voting rights, and voting classes shall apply to voting by mail.

ARTICLE IV BOARD OF MANAGERS

Section 1. NUMBER. There shall be no less than three (3) nor more than nine (9) members of the Board of Managers.

Section 2. QUALIFICATIONS. Board members need not be members of the Association nor residents of the State of Colorado, and shall be elected by the members of the Association at their annual meeting.

Section 3. METHOD OF SELECTION. Members of the outgoing Board of Managers shall nominate a slate of names for consideration of the members of the Association, which slate shall be included in any notification of meetings in which Board members are to be selected. Additional names may be submitted by members from the floor at the meeting until nominations are ceased.

Election of the Board of Managers shall be by secret written ballot. At such election the members or their proxies may cast, with respect to any vacancy, as many votes as they are entitled to exercise under the provisions of Article IV in the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 4. TERM. The term of service of Board members shall be one (1) year, commencing on the annual meeting date of their election and ending at the annual meeting one year following, unless extended by re-election.

Section 5. REMOVALS AND VACANCIES. Any Manager may be removed from the Board, with or without cause, by a majority vote of a Quorum duly convened. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. COMPENSATION. No manager of the Board of Managers shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation of the Association, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Managers, provided, however, always (1) that reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member of the Board may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

Section 7. CHAIRMAN. The Board of Managers shall select from among its membership a chairman to preside at all meetings and to serve as President of the Association.

ARTICLE V
POWERS AND DUTIES OF
BOARD OF MANAGERS

Section 1. GENERAL PROVISION. The Board of Managers shall have all powers and duties necessary for the administration of the affairs of the Association in accordance with provisions herein contained and with those provisions contained in the Declaration and Articles.

Section 2. RULES AND REGULATIONS. The Board may establish, make, and enforce compliance with such reasonable Rules and Regulations as may be necessary for the operation, use, and occupancy of The Vienna Townhomes community, with the further right to amend same from time to time.

Section 3. MAINTENANCE. The Board shall keep, or cause to be kept, in good order, condition, and repair all of the Common Area and Limited Common Elements and all personal and real property owned or leased by the Association.

Section 4. INSURANCE. The Board shall facilitate compliance with provisions contained in Article IX of the Declaration regarding insurance of Buildings, Common Areas, Limited Common Elements and all personal and real property owned or leased by the Association.

Section 5. FINANCIAL MANAGEMENT. The Board shall collect all assessments and deposit and disperse same to employ and pay for such services, materials and personnel required by the effective management of the Association, and shall otherwise manage the financial affairs of the Association as provided in the Declaration.

In conjunction with these duties the Board shall cause to be kept and maintained full and accurate books of account, showing all receipts and disbursements, and shall permit examination thereof at any reasonable time by each of the Owners. The Board shall further cause a complete audit of the books of account by a competent certified or registered public accountant once each year. Following such annual audit, financial summaries of the operations, of the Association shall be delivered to each Owner.

Section 6. MANAGEMENT. The Board may employ a management agent who shall have and exercise those powers granted by the Board of Managers.

Section 7. CERTIFICATES OF ASSOCIATION. The Board may be called upon to issue Certificates of Association signed by the President and Secretary of the Board attesting to such matters as Owner payments of assessments, insurance, taxes, and the results of official votes by the Association. Recipients of such Certificates of Association may rely on the representations contained therein.

ARTICLE VI AMENDMENTS TO BY-LAWS

Section 1. AMENDMENTS TO BY-LAWS. These By-Laws may be amended by the Association at a duly constituted meeting for such purpose and no amendment shall take effect unless approved by Owners representing an aggregate interest of at least seventy percent (70%) of the general common elements. The notice of such meeting shall contain a summary of the proposed changes, or a copy of such proposed changes.

ARTICLE VII OFFICERS

Section 1. DESIGNATION. The officers of the Association shall be a President, a Vice-President and Secretary and a Treasurer, all of whom shall be elected by the Board of Managers, and such assistant officers as the Board of Managers shall, from time to time, elect. Such officers need not be members of the Board of Managers, but each shall be an Owner of a townhome unit in this townhome project or a representative(s) of such Owner. The office of President and

Treasurer may be held by the same person, and the office of Vice-President and Secretary may be held by the same person.

Section 2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board of Managers at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general power 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 Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

Section 5. VICE-PRESIDENT. The Vice-President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties.

Section 6. SECRETARY. The Secretary shall keep all the minutes of the meetings of the Board of Managers and the minutes of all meetings of the Association, he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the By-Laws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each Member's name the number or other appropriate designation of the unit owned by such Member, the undivided interest in the general common elements. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

Section 7. TREASURER. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Managers. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent not less often than once each calendar quarter.

ARTICLE VIII
ADOPTION OF BY-LAWS

Adopted on behalf of the Vienna Townhomes Association by its first appointed Board of Managers, Erich C. Bendfeldt, Dean L. Southworth, John M. LaGuardia and Allen Cary Fryar, this _____ day of _____, 1975.

Erich C. Bendfeldt
Erich C. Bendfeldt

Dean L. Southworth
Dean L. Southworth

John M. LaGuardia
John M. LaGuardia

Allen Cary Fryar
Allen Cary Fryar