

BY-LAWS

OF

FOUR MILE VILLAGE TOWNHOUSE ASSOCIATION

ARTICLE I

Voting Rights

Section 1. Members' Voting Rights. The Association shall have two classes of voting membership.

CLASS A. All Owners of Four Mile Village Townhouses shall be "Class A Members". Class A Members shall be entitled to one vote for each Townhouse in which they hold the interests required for membership. When more than one person holds such interest, the vote for such Townhouse shall be exercised by one of them designated by written instrument to be the sole voting Members, but in no event shall more than one vote be cast with respect to any such Townhouse. In the absence of such designation, the Board may designate such a sole-voting Member.

CLASS B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three votes for each Townhouse in which it holds the interest required for such membership, provided that the Class B membership shall be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

A. When the total votes, based upon all Townhouses owned, outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

B. December 31, 1988.

Section 2. Right to Vote. The right to vote upon Association matters shall be vested in the Board of Directors, or their successors and assigns, and the Members as set forth in the Articles of Incorporation.

Section 3. Election of Directors. Within 30 days of the time at which the exclusive right to vote on Association matters is no longer vested in the Board of Directors or Declarant, its successors or assigns as provided in the Articles of Incorporation, a meeting of the Members will be held for the purpose of electing a Board of Directors of the

Association to succeed the original Board of Directors appointed by Declarant.

Section 4. Proxies. Voting by proxy is hereby authorized provided that all proxies shall be filed in writing with the Secretary of the Association at least 48 hours prior to the time of any meeting.

Section 5. Quorum. One-third (1/3) of the Members entitled to vote shall constitute a quorum for the transaction of any business of the Association, including the election of Directors.

Section 6. Adoption of Resolutions. It shall require a vote of not less than the majority of the Members present at a meeting in person or by proxy to adopt a resolution presented at a membership meeting for adoption. Any such resolution shall be binding on all Members and Unit Owners.

ARTICLE II

Membership Meetings

Section 1. Annual Meetings. The annual meetings of the Association shall be held on the first day in the month of December of each year, commencing with the year 1982, at the Four Mile Clubhouse, or at such other time and place as may be fixed by the Board of Directors.

Section 2. Special Meetings. Special meetings of Members of the Association may be called by the President, or by resolution of the Board of Directors, or upon a petition signed by not less than 25% of the Members entitled to vote, the same having been presented to the Secretary. A notice of any special meeting shall state the time and place of the meeting and the purpose thereof. No business shall be transacted at any special meeting except as stated in such notice, unless by agreement of more than 50% of the Members present entitled to vote, either in person or by proxy.

Section 3. Place of Meeting. Meetings, both annual and special, of the membership shall be held at the Four Mile Clubhouse, or at any other suitable place convenient to Members as may be designated by the Board of Directors.

Section 4. Notice of Meeting. Notice of the annual meeting of Members of the Association shall be mailed to Members at least 15 days prior to the date fixed for such meeting. Notices of special meetings shall be given to Members at least 15 days before such meeting is to be held. All such notices shall be mailed to the Secretary of the

Association, postage prepaid, and addressed to the Member at the Member's last known address as shown on the records of the Association. Notice of all meetings shall be sent in a similar manner to all holders of first deeds of trust of Townhouses upon written request therefor.

Section 5. Adjourned Meetings. If any meeting of the Members cannot proceed by reason of the fact that a quorum is not present, either in person or by proxy at said meeting, the President may adjourn the meeting to a later date which shall not be more than 10 days from the time of the original meeting.

Section 6. Order of Business. The order of business at the annual meeting of the Members shall be as follows:

- A. Roll call of Members present;
- B. Inspection and verification of proxies;
- C. Reading of minutes of the preceding annual meeting and any other special meetings since such time;
- D. Report of officers;
- E. President's report;
- F. Committee reports;
- G. Appointment of inspectors for canvass of ballots to be cast;
- H. Election of members to the ~~Board~~ Board of Directors;
- I. Unfinished business;
- J. New business.

ARTICLE III

Board of Directors

Section 1. Number and Qualifications. The affairs and business of the Association shall be conducted by a Board of Directors consisting of not less than three nor more than nine members who shall be elected from the Owners of the Townhouse Units or Declarant or Declarant's designees at the annual meeting by Members of the Association. Members of the Board shall serve until their successors are duly elected and qualified.

Section 2. Election and Term of Office. At annual meetings of the membership of the Association to be held as herein provided, the terms of office of the Directors may be fixed for such period of time as the membership may determine and such terms may be staggered, that is to say, various members may be elected for terms of different lengths so that there will be a carryover of old Directors at each annual meeting, provided that nothing herein contained shall prevent the election of a Director whose term has expired to a new term as such Director. In all events, the terms of at least one-third of the Directors shall expire annually.

Section 3. Vacancies. Vacancies in the membership of the Board of Directors caused by any reason shall be filled by a vote of a majority of the remaining Directors even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected at the next annual meeting of the membership.

Section 4. Removal of Directors. The term of such office of any Director shall be declared vacant when such Director ceases to be a Member of the Association, except to the extent that Declarant's designees, whether Members or not, may be Directors. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

Section 5. Compensation. Directors shall not be paid any compensation for their services performed as such Directors, unless a resolution authorizing such remuneration shall have been adopted by the Association. Directors may be reimbursed for actual expenses incurred in connection with their duties as such Directors.

Section 6. Organization Meeting. Within a period of 10 days following the election of a new Board of Directors, an organization meeting shall be held at a time and place fixed by the Board of Directors following which officers of the Association shall be elected as provided for in Article IV hereof.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by the President of the Association or by a majority of its Board of Directors. Notice of regular meetings of the Board of Directors shall be given each Director personally or by mail, telephone or telegraph, at least 3 days prior to the time named for such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary on 48 hours notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time and place of the meeting and the purposes thereof.

Section 9. Waiver of Notice. Before or at 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 of the time and place thereof. If all the Directors are present at a meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum. A majority of the Board of Directors then in office shall constitute a quorum for the transaction of any business of the Association, and the acts of the majority of the Directors present at a meeting at which time a quorum was present shall be the act of the Board of Directors. If at any meeting of the Board of Directors shall be less than a quorum present, the majority of those present may adjourn the meeting. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Duties. The Board of Directors shall carry on the duties and manage the affairs of the townhouses project known as Four Mile Village, pursuant to Association, including, but not limited to the repair and maintenance of Common Area, if any, owned by the Association, and private roads and all other facilities located on the real property which it owns, if any. The Board may exercise for the Association all powers, duties and authority vested in or delegated to the Association and not specifically reserved to the membership by other provisions of the Bylaws, Articles of Incorporation of this Association or of the Covenants, Conditions and Restrictions of Four Mile Village Townhouses. The Board shall keep complete records of all its acts and corporate affairs, and shall present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when requested by at least 25% of all voting Members. The Board may designate and remove personnel necessary for the operation, maintenance, repair and replacement of the real property which it owns. The Board also shall supervise all officers, agents and employees of the Association and see that their duties are properly performed. The Board shall cause the Association to perform all duties incumbent upon it.

Section 12. Manager. The Board of Directors may employ the services of a Manager, and may delegate to such Manager any of the duties, powers, or authority of the Board.

Section 13. Rules. The Board of Directors may adopt or amend rules and regulations governing the real property which it owns, if any, as set forth in the Covenants, Conditions and Restrictions of Four Mile Village Townhouses at any time by majority vote.

Section 14. Indemnification. The Manager, employees of the Association, and each Director and officer of the Association, shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having

acted as such on behalf of the Association, provided that this indemnification shall not apply if the said person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided further that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such person may be entitled.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of which shall be elected by and from the Board of Directors. The officers of the Association may be combined, except that the President and Secretary shall not be the same person. Other officers may be appointed or elected by the Board of Directors from time to time.

Section 2. Election of Officers. The officers shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of the members of the Board of Directors, any officer may be removed, either with or without cause, and the successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

Section 4. Duties. The duties of the officers are as follows:

President

A. The President shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds of trust, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

B. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary

C. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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.

Treasurer

D. The Treasurer shall receive and deposit in appropriate bank accounts all moneys 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; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; 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.

ARTICLE V

Books and Records - Inspection

Section 1. Books and Records. The Board of Directors shall cause to be maintained at the principal office of the Association complete books of account of the affairs of the Association.

Section 2. Inspection. Such books of account shall be open to inspection upon the written demand of any Member or holder of a first deed of trust on any Townhouse Unit for a purpose reasonably related to his interest as such Owner or holder and shall be exhibited to such Owner or holder at any reasonable business hours upon 10 days notice made to the Manager or Board of Directors. Such inspection may be made in person, or by agent or his attorney, and the right of inspection includes the right to make extracts or perform audits. All of the foregoing shall be at the expense of the inspecting party. Any Member shall be furnished a statement of the Member's account setting forth the amount of unpaid assessments or other charges by such Member, upon payment of a reasonable fee.

Section 3. Budget. The Board of Directors shall hold a meeting before the end of the current fiscal year of the Association at which it shall adopt a budget for the next fiscal year. The Board of Directors shall determine the budget by estimating the expenses of the Association in

carrying out its duties and rights under the Articles of Incorporation and the By-laws of this Association, as well as the Covenants, Conditions and Restrictions for Four Mile Village Townhouses.

ARTICLE VI

Seal

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the State of incorporation and the word "Seal."

ARTICLE VII

Amendments

Section 1. By-laws. These By-laws may be amended by a majority vote of the Board of Directors at any regular meeting or at any special meeting called for such purpose, or by a majority of a quorum of Members. The notice of any meeting to amend the By-laws shall specify such purpose, and notice of any meeting wherein a material amendment to the By-laws is contemplated shall be sent by the Secretary of the Association to all holders of first deeds of trust on Townhouse Units requesting the same in writing. No By-laws shall be amended nor shall supplemental By-laws be added hereto which shall be in conflict with the statutes of the State of Colorado, the Articles of Incorporation of the Association, or the Covenants, Conditions and Restrictions of Four Mile Village Townhouses.

Section 2. Articles of Incorporation. The Articles of Incorporation of the Association may be amended by a two-thirds vote of the Members present, in person or by proxy, entitled to vote thereon, at any regular or special meeting called for such purpose. The Board shall adopt a resolution setting forth the proposed amendment and directing its submission to such vote. Amendments shall also be submitted to vote upon the request of at least one-twentieth of the Members entitled to vote. Written notice setting forth the proposed amendment or a summary of changes to be effected thereby shall be given to each Member entitled to vote thereon at least 10, but no more than 30 days before such meeting. Such notice shall also be sent to all holders of first deeds of trust on Townhouse Units who request the same in writing.

ARTICLE VIII

Non-Profit Corporation

The Association has been incorporated under the

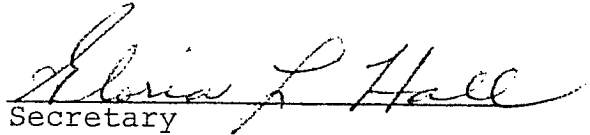
Colorado Non-Profit Corporation Act, and is and shall be operated as a non-profit Association.

ARTICLE IX

Definitions

As used herein the term "Townhouse" and "Townhouse Unit" shall mean each and every Townhouse constructed as a part of Four Mile Village Townhouses, according to the plat recorded in the records of the Clerk and Recorder of the City and County of Denver, State of Colorado.

The foregoing By-laws were duly adopted at a meeting of the Board of Directors held on the 23rd day of April, 1982.


Secretary