

BY-LAWS
OF
THE VAIL GOLFCOURSE TOWNHOMES ASSOCIATION
PHASE I

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BY-LAWS
OF

THE VAIL GOLFCOURSE TOWNHOMES ASSOCIATION
PHASE I

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE VAIL GOLFCOURSE TOWNHOMES ASSOCIATION, PHASE I, hereinafter referred to as the ASSOCIATION. The principal office of the corporation shall be located at c/o Shapiro Construction Co., Suite C-3, Fallridge Condominiums, 1650 Vail Valley Drive, Vail, Colorado, but meetings of members and directors may be held at such place within the State of Colorado, County of Eagle, as may be designated by the Board of Directors.

ARTICLE II

OBJECT

A. The purpose for which this non-profit corporation is formed is to govern that condominium property situate in the County of Eagle, State of Colorado, more fully described by the Condominium Map and the Condominium Declaration for The Vail Golfcourse Townhomes Association, Phase I; such property has been submitted to the provisions of the Condominium Ownership Act of the State of Colorado by recorded Condominium Declaration.

B. All present or future owners, tenants, and any other persons who might use such property in any manner are subject to the regulations set forth in these By-Laws. Acquisition of a fee or leasehold interest in or the occupancy of any of the condominium units of the project, hereinafter referred to as the UNITS, shall constitute ratification and acceptance of these By-Laws and an agreement to comply herewith.

ARTICLE III

MEMBERSHIP, VOTING, PROXIES AND QUORUM

Section A: Classes of Membership and Voting Rights

There shall be two classes of Association membership designated Class A and Class B corresponding to the type of Owner for each Unit as hereinafter set forth. The rights of members of each class shall differ only as to the voting rights set forth as follows:

CLASS A: Class A members shall be all Owners, with the exception of the Declarant and each Unit owned by such Class A members shall have allocated to it a voting interest equivalent to that undivided percentage ownership in the Common Elements allotted to each Unit, as set forth in Exhibit A of the Condominium Declaration.

CLASS B: The Class B member shall be the Declarant, and each Unit owned by such Class B member shall have allocated to it a voting interest equivalent to the product of the undivided percentage ownership in the Common Elements allotted to that Unit, as set forth in Exhibit A of the Condominium Declaration, multiplied by a factor of 6.5 (which product may be referred to herein as a "weighted voting interest"). The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- 1) when the aggregate undivided percentage ownership in the Common Elements allotted to Units owned by Declarant, as those percentages are set forth in Exhibit A of the Condominium Declaration, becomes less than 13.2%; or
- 2) on December 31, 1980.

All members shall be entitled to vote on all matters, as provided above or as otherwise provided in the Declaration, the Articles of Incorporation or these By-Laws. Cumulative voting is prohibited.

Section B: Definition of Weighted Percentage Vote

Whenever the Declaration, the Articles of Incorporation, or these By-Laws provide that an issue shall be determined by a Weighted Percentage Vote, or when no other method of calculating the vote required for approval of a specified issue is provided by statute or by the Declaration, the Articles of Incorporation or the By-Laws, the total number of authorized votes and the Weighted Percentage Vote shall be calculated according to the voting interest allocated to the Class A members and the Weighted Voting Interest allocated to the Class B members, as provided in Section A of this Article. A majority Weighted Percentage Vote means a Weighted Percentage Vote greater than 50%.

Section C: Proxies

At all meetings of members votes may be cast in person or by proxy, but no proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. All proxies shall be in writing and must be filed with the Secretary at or before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit.

Section D: Designation of Voting Representative-Proxy

If title to a Unit is held by more than one individual, by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, a proxy must be executed and filed with the Association appointing and authorizing one person or alternate persons to attend all annual and special meetings of Association members and thereat to cast the voting interest allocated to that Unit as provided in the Declaration. Such proxy shall be effective and remain in force unless voluntarily revoked, amended, or sooner terminated by operation of law; provided, however, that within thirty days after such revocation, amendment or termination, the Owner or Owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided in this Section.

Section E: Quorum

Except as otherwise provided in these By-Laws, the presence in person or by proxy of Association members possessing a sufficient voting interest to constitute a Weighted Percentage Vote of 75% of the voting interests of all members shall constitute a quorum, and such members present in person or by proxy shall constitute the members entitled to vote upon any issue presented at a meeting at which a quorum is present. A majority Weighted Percentage Vote of such members present shall be sufficient to make decisions binding on all Owners unless a different number or method of voting is expressly required by statute or by the Declaration, Articles of Incorporation or By-Laws.

ARTICLE IV

ADMINISTRATION

A. GENERAL - The owners of the units will constitute THE VAIL GOLF/COURSE TOWNHOMES ASSOCIATION, PHASE I, hereinafter referred to as ASSOCIATION, which will have the responsibility of administering the project through a Board of Directors as herein provided.

B. PLACE OF MEETINGS - Meetings of the Association shall be held at such place as the Board of Directors may determine.

C. 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 on the same day of the same month of each year thereafter, at the hour of six o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

D. 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 FIFTY PERCENT (50%) of the members who are entitled to vote.

E. NOTICE OF MEETINGS - Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days but not more than twenty (20) days before such meeting to each member entitled to vote thereat, addressed to the members address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

F. ADJOURNED MEETINGS - If the number of Association members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the Chairman of the meeting, or a majority in interest of the Association voting strength present in person or by proxy, may adjourn the meeting from time to time until the necessary number of Association members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

G. WAIVER OF NOTICE - Any member may at any time waive any notice required to be given under these By-Laws or by statute or otherwise, and the presence of a member in person at any meeting of the members shall be deemed such a waiver.

ARTICLE V

BOARD OF DIRECTORS

A. NUMBER AND QUALIFICATION - The affairs of this Association shall be governed by a Board of Directors consisting of four (4) members, who shall be members of the Association. The Initial Board of Directors who shall act in such capacity for the first year of its existence, or until their successors are elected, and who need not be members of the Association are:

Abraham L. Shapiro
President

P.O. Box 1547
Vail, Colorado 81657

Kenneth E. Shapiro
Vice-President

P.O. Box 1547
Vail, Colorado 81657

Darlyne A. Leibring
Secretary-Treasurer

P.O. Box 112
Fagle, Colorado 81657

Sylvia Shapiro
Assistant Secretary

P.O. Box 1547
Vail, Colorado 81657

B. POWERS AND DUTIES - The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these By-Laws and the Articles of Incorporation, and in the Declaration, and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interests of the Association and to the extent permitted by law.

The Board of Directors may, on contract, delegate the routine operation and management of the Association affairs to a Managing Agent to be selected by the Board of Directors. Such Managing Agent shall be responsible to the Board of Directors, and shall submit a comprehensive report on his activities at each annual meeting.

C. ELECTION AND TERM OF OFFICE - The term of the Directors named in the Articles of Incorporation shall be until the first annual membership meeting or until their successors are duly chosen and qualify. Their successors shall be elected at the first annual meeting of the members of the Association. A new Board of Directors shall be elected by the members at each regular annual meeting thereafter and each Director shall hold office for a term of one year or until a successor shall be elected and shall qualify except as hereinafter otherwise provided. The number of Directors may be altered from time to time by the action of a majority of the voting strength of the Association at any regular or special meeting called for such purpose. In the event of any increase in the number of Directors in advance of the annual meeting, each additional Director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.

D. VACANCIES - Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining Directors even though they may consist of less than a quorum and each member so elected shall be a Director until his successor is duly elected by the members of the Association at the next annual meeting or special meeting called for such purpose.

E. REMOVAL OF DIRECTORS - At any regular or special meeting of the Association, any one or more of the Directors may be removed with or without cause at any time by the affirmative vote of seventy-five percent (75%) of the entire voting strength of record and a successor may then be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at the meeting.

F. COMPENSATION - No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

G. ORGANIZATION MEETING - The first meeting of a newly elected Board of Directors shall be held within thirty (30) days of election at such time and place as shall be fixed at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

H. REGULAR MEETINGS - 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, but at least one meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least ten days prior to the day named for the meeting.

I. SPECIAL MEETINGS - Special meetings of the Board of Directors may be called by the President on ten (10) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time and place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least FIFTY PERCENT (50%) of the Directors.

J. 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 any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

K. QUORUM - A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

L. ADJOURNMENTS - The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interest of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

M. FIDELITY BONDS - The Board of Directors may require that officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

N. 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 and placing such written approval on file with the Secretary of the Association. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

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 recreational 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 sixty (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 By-Laws, 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.

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 required in writing by FIFTY PERCENT (50%) 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 unit at least thirty (30) days in advance of each annual assessment period;
 - 2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - 3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date 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, within ten (10) days of such demand, by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors 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 condominium project to be maintained.
- H. Cause the exterior of the dwellings to be maintained.

ARTICLE VII
OFFICERS

- A. ENUMERATION OF OFFICERS - The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.
- B. 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.
- C. TERM - The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.
- D. 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.

E. RESIGNATION AND REMOVAL - Any officer may be removed from office with or without 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.

F. 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 he replaces.

G. MULTIPLE OFFICES - The offices of secretary and treasurer, only, 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 special offices created pursuant to Section D of this Article.

H. COMPENSATION - No compensation shall be paid to officers for their services as officers unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

ARTICLE VIII DUTIES OF OFFICERS

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; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

B. VICE-PRESIDENT: 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 of him 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; 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.

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; cause an annual review 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 IX

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Director or officer, his heirs, executors, administrators, and representatives against all losses, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit, or proceeding to which he may be made a party by reasons of his being or having been a Director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willfully misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such manager or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such manager or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article IX contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit, who is or has been a director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under any or by virtue of the Condominium Declaration as a member or owner of a condominium unit covered thereby.

ARTICLE X

COMMITTEES

The Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

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 member or first mortgagee. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member or first mortgagee at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

POWERS, RIGHTS AND DUTIES OF THE ASSOCIATION AND MEMBERS THEREOF

The Association and its members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Association, these By-Laws, rules and regulations pursuant thereto, the Condominium Declaration, and as any of the same may be duly adopted or amended. No transfers of membership in the Association shall be made except as provided herein and no such transfer shall be made upon the books of the Association within ten (10) days next proceeding the annual meeting of the Association.

ARTICLE XIII
CORPORATE SEAL

A. The Board of Directors shall provide a suitable corporate seal containing the name of the Association, which seal shall be in the custody and control of the Secretary.

B. If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the Board of Directors shall name.

ARTICLE XIV
OWNERS ASSESSMENTS

OBLIGATIONS - Except as is otherwise provided in the Condominium Declaration, all owners shall be obligated to pay the assessments imposed by the Association. The assessments for common expenses shall, except as provided in the Condominium Declaration, be made pro rata according to the basis of each owners interest in the general common elements as it appears on the Declaration as amended and supplemented. Assessments shall be due in advance on the first day of each month, or otherwise as may be determined by the Board of Directors and the Condominium Declaration. Contributions for assessments shall be prorated if the ownership of a condominium unit commences on a day other than the first day of the assessment period. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent per annum, and the Association may bring an action at law against the owner personally obligated to pay the same and/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 waiver or otherwise escape liability for the assessments provide for herein by nonuse of the condominium project or abandonment of his unit.

ARTICLE XV
LIENS

Except for annual, special and default assessment liens as provided in this Declaration, mechanics' liens, tax liens, and judgment liens arising by operation of law and liens arising under Mortgages, there shall be no other liens obtainable against the Common Elements or any interest therein of any Condominium Unit.

ARTICLE XVI
AMENDMENT OF BY-LAWS

A. AMENDMENT BY THE MEMBERS - These By-Laws may be amended by the affirmative vote of seventy-five percent (75%) of the voting strength of the Association present in person or by proxy and constituting a quorum at any regular or special meeting. Amendments may be proposed by the Board of Directors or petition signed by at least fifty-one percent (51%) of the voting strength of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These By-Laws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property.

B. AMENDMENT BY THE DIRECTORS - These By-Laws may be amended by the affirmative vote of fifty-one percent (51%) of the Board of Directors present in person or by proxy and constituting a quorum at any regular or special meeting. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These By-Laws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions on the property.

C. CONFLICT - In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVII
OWNERS OBLIGATIONS

A. MAINTENANCE AND REPAIR

1) Every owner must perform promptly at his own expense all maintenance and repair work within his own unit. An owner shall not do any act or any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament.

2) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, sanitary installations, doors, windows, electrical fixtures, appliances and equipment installed within the unit commencing at a point at which the utility lines, pipes, wires, conduits or system (which for brevity are hereinafter referred to as UTILITIES) enter the unit or its appurtenant limited common elements, shall be at the owner's expense. Utility fixtures and appliances (but not lines, pipes, wires, conduits, or systems) which are located within a unit and which exist for the purpose of providing utility service only for one unit shall be maintained and kept in repair by the owner of that unit.

3) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing his unit elements, where the Association is not liable to such owner therefor, or for another's unit elements or any general or limited common element damaged by his negligence or by the negligence of his tenants, invitees, or agents.

B. GENERAL

Each owner shall comply strictly with the provisions of the recorded Condominium Declaration. Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

C. USE OF UNITS - INTERNAL CHANGES

- 1) All units shall be utilized for residential purposes only. All parking spaces shall be utilized solely for vehicle parking.
- 2) An owner shall not make structural modifications or alterations to his unit or installations located therein without the written approval of the Board of Directors. The Board of Directors shall be notified in writing of the intended modifications through the President of the Board of Directors.

D. RIGHT OF ENTRY

An owner shall and does grant the right of entry to the Managing Agent or Board of Directors of the Association, to have access to his unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the general common elements therein or accessible therefrom, or for making emergency repair therein necessary to prevent damage to the general common elements or to another unit or units. Damage to the interior or any part of a unit as a result of such entry thereof shall be a common expense of all of the owners. Provided, however, that if such entry, resulting in damage, was made necessary as a result of the negligence or malfeasance of the unit owner or occupant, then such unit owner shall be responsible for all of such damage.

ARTICLE XVIII

ADDITIONS, ALTERATIONS AND IMPROVEMENTS OF
GENERAL AND LIMITED COMMON ELEMENTS

There shall be no additions, alterations or improvements by the Board of Directors or the Managing Agent of or to the general and limited common elements requiring an expenditure in excess of Five Hundred Dollars (\$500.00) in any one calendar year without prior approval of Seventy Five Percent (75%) of the owners in writing or as reflected in the minutes of a regular or special meeting of the owners. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any general common element or common property. Any individual unit owner shall do no alterations, additions, or improvements to the general common elements or the limited common elements without the approval of all of the owners in writing or as reflected in the minutes of a regular or special meeting of the owners.

The cost of any additions, alterations or improvements to the general and limited common elements undertaken by the Board of Directors shall be assessed as common expenses. Any such additions, alterations or improvements shall be owned by the unit owners in the same proportion as their ownership interest in existing general and limited common elements and shall not affect any unit owner in reference to his voting power in the Association.

ARTICLE XIX
CONVEYANCES AND ENCUMBRANCES

Corporate property may be conveyed or encumbered by authority of the Board of Directors or such other person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instrument executed by the President and by the Secretary or the Treasurer or an Assistant Secretary or Assistant Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

ARTICLE XX
FISCAL YEAR

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.

ARTICLE XXI
SERVICES

The Association shall initially provide the following services to be paid for from annual assessments, which may be amended or supplemented from time to time by vote of the Board of Directors:

- 1) Administrative payroll
- 2) Accounting services
- 3) Office supplies
- 4) Maintenance payroll
- 5) Building maintenance
- 6) Grounds maintenance
- 7) Supplies
- 8) Legal services
- 9) Road and driveway maintenance
- 10) Electricity service for common area
- 11) Water and sewer service for common area
- 12) Snow removal
- 13) Trash removal
- 14) Board of manager's reimbursable expenses
- 15) Insurance for common areas
- 16) Management fee; and
- 17) Replacement fund.

ARTICLE XXII

RECREATIONAL FACILITIES

The recreational facilities are those referred to in the "Amended Declaration of Protective Covenants, Conditions and Restrictions for Fallridge Recreational Facilities" recorded January 25, 1978 in Book 265, Page 986 of the records of the Eagle County Clerk and Recorder, Eagle, Colorado and the "Amended Legal Description For Amended Declaration Of Protective Covenants, Conditions and Restrictions for Fallridge Recreational Facilities" recorded October 5, 1978 in Book 276, Page 283 of the records of the Eagle County Clerk and Recorder, Eagle, Colorado as they relate to the "Club" and "The Fallridge Community Association, Inc." Such facilities shall be available to all unit owners in the Association and all such owners so entitled shall be obligated for any fees or charges associated with such installation and maintenance of the said present and potential facilities, according to the terms and conditions of the "Amended Declaration of Protective Covenants, Conditions and Restrictions for Fallridge Recreational Facilities" and the "Amended Legal Description For Amended Declaration Of Protective Covenants, Conditions and Restrictions for Fallridge Recreational Facilities".

ARTICLE XXIII

DEFINITIONS

Unless otherwise specified, terms shall have the same meaning in these By-Laws as such terms have in the Declaration.

ADOPTED BY THE BOARD OF DIRECTORS OF THE VAIL GOLFCOURSE TOWNHOMES
ASSOCIATION, PHASE I THIS _____ DAY OF _____, 1979.

Abraham L. Shapiro

Kenneth E. Shapiro

Darlynne A. Leibring

Sylvia Shapiro

ATTEST:

Secretary

(SEAL)