

BYLAWS
OF THE
WINDMILL CONDOMINIUM ASSOCIATION, INC.

The name of the Corporation shall be WINDMILL CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Object

(Plan of Ownership)

1. The Windmill Condominium Association, Inc., shall be a non-profit corporation.

2. The purpose for which this non-profit Association is formed is to govern the condominium property which has been or will be submitted to the provisions of the Condominium Ownership Act of the State of Colorado by the recording of the Condominium Declaration and Condominium Map for Windmill Condominiums.

3. All present or future Owners, tenants, future tenants or any other person that might use in any manner the facilities of the Condominium Project or the property therein described are subject to the regulations set forth in these Bylaws and the provisions of the Regulatory Agreement attached as Exhibit E to the recorded Condominium Declaration of Windmill Condominiums. The mere acquisition or rental of any of the Condominium Units (hereinafter referred to as "Condominium Units" and "Units") or the mere act of occupancy of any of said Units will signify that these Bylaws and the provisions of the Regulatory Agreement are accepted, ratified and will be complied with.

ARTICLE II

Membership, Voting, Majority of Owners,
Quorum, Proxies

1. Membership. Ownership of a Condominium Unit is required in order to qualify for membership in this Association. Any person on becoming an Owner of a Condominium Unit shall automatically become a member or co-member of this Association and be subject to these Bylaws. ~~The Owner or Owners of a Unit shall hold and share the membership related to that Condominium Unit in the same proportionate interest and by the same type of tenancy in which the title to the Condominium Unit is held,~~ provided always that there shall be only one membership per Condominium Unit. Such membership shall terminate without any formal Association action whenever such person ceases to own a Condominium Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in the Association.

2. Voting. Each membership shall have the vote(s) appurtenant thereto as described in the Articles of Incorporation. When more than one person holds the membership, they shall appoint one of their co-members as proxy to cast the vote for that membership. ~~Such vote~~ shall be cast as the Owners thereof agree, but ~~in no event~~ shall more than one vote per question be cast with respect to any one membership. If the co-members cannot agree as to the manner in which their vote should be cast when called upon to vote, then they will be treated as having abstained.

3. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of members holding votes equal to thirty-three and one-third percent (33 1/3%) of the outstanding votes shall constitute a quorum. An affirmative vote of a majority of the voting strength present, either in person or by proxy, shall be required to transact the business of the meeting.

ARTICLE III

Administration

1. Association Responsibilities. The Owners of the Condominium Units will constitute the members of Windmill Condominium Association, Inc. (hereinafter referred to as "Association"), which will have the responsibility of administering the project through a Board of Managers (hereinafter referred to as the "Board").

2. Place of Meeting. Meetings of the Association shall be held in Fort Collins, Colorado, only.

3. Annual Meeting. The first annual meeting of the Association members shall be held within one (1) year of the date of incorporation. Thereafter the annual meeting shall be held on the same day during each calendar year, or if such day be a Saturday, Sunday or legal holiday, the next succeeding business day. At such meetings there shall be elected by ballot of the members a Board of Managers in accordance with the requirements of Section 5 of Article IV of these Bylaws. The members may also transact such other business of the Association as may properly come before them. "Declarant" as used in these Bylaws refers to the Declarant named in the Condominium Declaration for Windmill Condominiums, its successors and assigns.

4. Special Meetings. The President shall call a special meeting of the members upon his own initiative or as directed by resolution of the Board or upon receipt of a petition signed by at least one-third (1/3) of the members or at the request of the Federal Housing Commissioner or his duly authorized representative. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent by a majority of the voting strength present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings. The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each member of record, at the registered address

Secretary that notice was duly given shall be prima facia evidence thereof.

6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

7. Order of Business. The order of business at all meetings of the members shall be as follows:

- (a) Roll call and certifying proxies
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of Minutes of preceding meetings
- (d) Reports of Officers
- (e) Report of the Federal Housing Administration
- (f) Reports of Committees
- (g) Election of Managers
- (h) Unfinished business
- (i) New business
- (j) Adjournment

ARTICLE IV

Board of Managers

1. Number and Qualification. At the First Annual Meeting of the Members there shall be elected any nine (9) members of the Association to the Board who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. Managers shall be Owners (as defined in the Declaration) which, in the case of Declarant or other corporate owners, shall include the officers, directors, agents, or employees of Declarant and the officers and directors of other corporate owners.

2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium community according to the highest standards achievable, relative to other condominium or townhome communities. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners of the Condominium Units.

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado, the Bylaws of the Association and supplements and amendments thereto.

(b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, rental, use and occupancy of all of the Condominium Units with the right to amend the same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member upon the adoption thereof.

(d) To insure and keep insured all of the insurable common elements and Condominium Units as required by the Declaration.

(e) To prepare a budget for the Condominium at least sixty (60) days prior to the commencement of each fiscal year, in order to determine the amount of the common expense assessments payable by the Unit Owners to meet the common expenses of the Condominium Project and allocate and assess such common expenses among the Condominium Unit Owners as set forth in the Declaration.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a member as is provided in the Declaration and these Bylaws. The Board shall have the duty, right, power and authority to prohibit use of any recreational facilities by any Condominium Unit Owner or by his tenants and lessees in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof.

(g) To protect and defend in the name of the Association any part or all of the condominium project from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and give security therefor. Such indebtedness shall be the several obligations of all of the members in the same proportion as their interest in the common elements. The persons who shall be authorized to execute promissory notes and security instruments shall be the President or Vice President and Secretary or Assistant Secretary. ✓

(i) To enter into contracts to carry out their duties and powers and to hire and fire all personnel necessary for the operation, maintenance, repair and replacement of the common elements.

(j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(k) To make repairs, additions, alterations and improvements to the common elements.

(l) To keep and maintain full and accurate books and records showing all of the ~~Receipts, expenses~~ or disbursements and to permit examination thereof at any reasonable time by each of the members and first mortgagees of Condominiums Units, and to cause a certified public accountant to prepare a compilation or review financial statement of the books and records of the Association at the end of each fiscal year. ✓

(m) To prepare and ~~deliver annually to each member~~ the ~~reports~~ prepared under subsection (l) above. ✓

(n) To meet at least semi-annually.

above, but not those powers which the Board, by law, may not delegate, provided however that any contract with such manager or managing agent shall not be for a term in excess of one (1) year and may be terminated without cause or payment of a termination fee on thirty (30) days' notice.

(g) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this Condominium Property.

3. No Waiver of Rights. The omission or failure of the Association or any Condominium Unit Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Condominium Declaration, these Articles of Incorporation, Bylaws, or the Rules and Regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board or the managing agent shall have the right to enforce the same thereafter.

4. Election, Term of Office and Compensation. At the first Annual Meeting of the Association the term of office of three (3) Managers shall be fixed for three (3) years; the term of office of three (3) Managers shall be fixed for two (2) years; and the term of office of three (3) Managers shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. Except as is otherwise provided by these Bylaws, the Managers shall hold office until their successors have been elected and hold their first meeting. No Manager shall be entitled to receive any compensation for the performance of his duties, but shall be entitled to reimbursement for expenses incurred by him.

5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum; and each person so elected shall be a Manager until his successor is elected.

6. Removal of Managers. At any regular or special meeting duly called, any one or more of the Managers may be removed with or without cause by a majority of the members, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting prior to voting thereon.

7. Organization Meeting. The first meeting of a ~~newly~~ ~~selected~~ Board shall be held ~~within ten~~ (10) days following each annual meeting of the members at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Managers, but at least two such meetings

9. Special Meetings. Special meetings of the Board may be called by the President on three days' notice to each Manager, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Managers.

10. Waiver of Notice. Before or at any meeting of the Board, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Board of Managers' Quorum. At all meetings of the Board, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At the resumption of any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

12. Fidelity Bonds. The Board shall require that any officer and/or employee of the Association and any managing agent who handles or is responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds, in regards to the Association's officers and employees only, shall be a common expense.

ARTICLE V

Officers

1. Designation. The Officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, elect. With the exception of the President, such Officers need not be members of the Board of Managers, but each shall be an Owner or an officer or director or a corporate Owner of a Condominium Unit in this Condominium Project, or the Declarant or its representative(s), if an Owner or member.

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

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

4. President. The President shall be the chief executive

in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

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.

6. Secretary. The Secretary shall keep all the minutes of the meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered 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 and the undivided interest in the common elements owned by such member. 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. In addition, a list of all mortgagees of Units shall be maintained. The records referred to in this subsection may be maintained by the Managing Agent.

7. Treasurer. The Treasurer shall have the 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; provided, however, that when a Managing Agent has been delegated the responsibility of collecting and disbursing funds, the Treasurer's responsibility shall be to review the accounts of the Managing Agent not less often than semi-annually.

ARTICLE VI

Indemnification of Officers, Managers and Managing Agent

1. Indemnification. The Association shall indemnify every Manager and officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made parties by reason of their being or having been a Manager or Officer of the Association, except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful 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, cost and expense incurred or suffered by

2. Other. Contracts or other commitments made by the Board of Managers or the officer(s) shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE VII

Amendments

1. These Bylaws may be amended by the members at a duly constituted meeting of the members for such purpose; provided, however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation or the Declaration. Any amendment shall require the affirmative approval of members owning an aggregate Ownership Interest of at least seventy-five percent (75%) of the common elements, and the prior written approval of the first mortgagees of the Condominium Units if the proposed amendment effects any rights granted to a Mortgagee pursuant to the terms and provisions of these Bylaws.

ARTICLE VIII

Mortgages

1. Notice to Association. A member who mortgages his Condominium Unit shall notify the Association through the Managing Agent, if any, or the Association's Secretary, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units."

2. Notice of Unpaid Common Expenses. The Association, whenever so requested in writing by a mortgagee of a Condominium Unit, shall promptly report any then unpaid common expenses due from the Owner of its mortgaged Condominium Unit, or any other default by, the Owners of a mortgaged Condominium Unit, which is not cured within thirty (30) days from the date of occurrence.

3. Notice of Default. When giving notice to a member of a default in paying common expenses or other default, the Board shall send a copy of such notice to each holder of a mortgage covering such Condominium Unit.

4. Notice of Amendment or Change in Board of Managers or Managing Agent. The Association shall at least ten (10) days prior to the effective date of any amendment to the Association's Articles of Incorporation or these Bylaws, notify in writing the holders of all recorded mortgages or deeds of trust of any such amendment. Further, if specifically requested in writing, the Association shall notify said mortgagees of any changes in the Association's Board of Managers or Managing Agent.

5. Examination of Books. Each member and each mortgagee of a Condominium Unit shall be permitted to examine the books of account of the Association at reasonable times on business days. Any Owner shall be entitled to obtain a certificate of status of assessments setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

ARTICLE IX

Evidence of Ownership, Registration of

becoming an Owner of a Condominium Unit shall furnish to the Managing Agent or Board a machine or a certified copy of the recorded instrument vesting that person with an interest or ownership in the Condominium Unit, which copy shall remain in the files of the Association.

2. Registration of Mailing Address. The Owners or several Owners of an individual Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a member or members shall be furnished by such member(s) to the Managing Agent or Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Condominium Unit or by such persons as are authorized by law to represent the interest of (all of) the Owners thereof.

ARTICLE X

Obligations of the Owners

1. Assessments. Members shall be obligated to pay the assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to the provisions of the Declaration. Assessments shall be due in advance. 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 Bylaws, if and only if, he shall have fully paid all assessments made or levied against him and the Condominium Units owned by him.

2. Mechanic's Lien. Each member agrees to indemnify and to hold each of the other members harmless from any and all claims of mechanic's liens filed against other units and the appurtenant common elements for labor, materials, services or other products incorporated in the member's unit.

3. Maintenance and Repair.

(a) Every member must perform promptly, at his own expense, all maintenance and repair work within his own Condominium Unit which, if omitted, would affect the appearance or the aesthetic integrity of part or all of the Condominium Project.

(b) All the repairs of internal installations of the Unit such as water, light, gas, power, sewage, telephone, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the member's expense.

(c) A member shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by his negligence or by the negligence of his tenants or agents or guests or those limited common elements which an Owner, pursuant to the Declaration, is obligated to maintain.

(b) Each member shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this Condominium Project was created.

5. Uses of Units - Internal Changes.

(a) Except as provided in the Declaration in regard to Declarant's use of any Units owned by it, all Units shall be utilized for only residential purposes as is provided in the Condominium Declaration.

(b) A member shall not make structural modifications or alterations to his Unit or installations located therein without the written approval of the Board. The Board shall be notified in writing of the intended modifications through the Managing Agent, or if no Managing Agent is employed, then, through the President of the Board. The Association shall have the obligation to answer member's request within thirty (30) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

6. Use of General Common Elements and Limited Common Elements. Each Owner may use the general common elements, the limited common elements appurtenant to his Unit, sidewalks, pathways, roads and streets and other common elements, located within the entire Condominium Project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners, and subject to the rules and regulations contained in these Bylaws and established by the Board as is provided in Section 9 of this Article.

7. Right of Entry. Each member shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Board in case of an emergency originating in or threatening his Condominium Unit, whether the member is present at the time or not.

8. Rules and Regulations.

(a) The initial rules and regulations shall be effective until amended or supplemented by the Board.

(b) The Board reserves the right to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, use and occupancy of this Condominium Project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each owner prior to the date when the same shall become effective.

ARTICLE XI

Association Not-for-Profit

1. Association Not-for-Profit. This Association is not organized for profit. No member, member of the Board, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, 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

Association, for services rendered in effecting one or more of the purposes of the Association, and (2) that any member, Manager or officer 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. The provisions herein are not applicable to the Managing Agent who shall perform its manager's duties and functions according to a written agreement for the compensation stated therein.

The undersigned Secretary of this Association does hereby certify that the above and foregoing Bylaws and rules and regulations were duly adopted by the Managers as the Bylaws and rules and regulations of said Association on this 13TH day of JUNE, A.D., 1980.

(S E A L)



Secretary