

**BYLAWS
OF
WILLE RESIDENCES CONDOMINIUM ASSOCIATION**
a nonprofit corporation
under the laws of the State of Colorado

The following constitute the initial Bylaws of WILLE RESIDENCES CONDOMINIUM ASSOCIATION, a Colorado nonprofit corporation (the "Association").

**ARTICLE 1
PURPOSES, ASSENT OF MEMBERS, AND DEFINITIONS**

Section 1.1 Purposes. The primary purposes for which the Association is organized is to manage, administer, operate and maintain Wille Residences Condominiums (the "Project") located or to be located on and within Lot 3, Aspen Highlands Village P.U.D., Block D, according to the according to the plat thereof recorded September 28, 1999, in Plat Book 51 at page 41, Reception No. 436003, Pitkin County, Colorado. The Project has been or will be created by and in accordance with the Declaration of Condominium for Wille Residences (the "Declaration") and the condominium map filed or to be filed in the records of the Clerk and Recorder of Pitkin County, Colorado.

The purposes of the Association are also (i) to preserve, protect and enhance the value and amenities of the Condominium; (ii) to promote the health, safety and welfare of the Owners of Units in the Condominium; and, (iii) to provide for the use and enjoyment of the Project by the Owners, all in accordance with the Declaration and the Association Documents, the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act, each as amended, revised or supplemented from time to time.

Section 1.2 Assent. All present or future Owners, Guests, tenants, or any other persons using the facilities of the Project in any manner are subject to these Bylaws and any rules adopted by the Executive Board pursuant to these Bylaws. The mere acquisition, rental or use of any of the Units within the Project or the mere act of occupancy or possession of any of those Units shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said rules.

Section 1.3 Definitions. Unless otherwise specified, capitalized terms used in these Bylaws shall have the same meanings in these Bylaws as such terms have in the Declaration and the Articles of Incorporation of the Association.

Section 1.4 Governing Law and Documents. The Project and the Association shall be governed by the Association Documents, the Colorado Common Interest Ownership Act (the "Act") and the Colorado Revised Nonprofit Corporation Act (the "RNC Act"). If it should appear that any of the provisions hereof are in conflict with any rule of law or statutory provision of the State of Colorado, including the Act or the RNC Act, then such provisions of these Bylaws shall be deemed inoperative and null and void insofar as they may be in conflict therewith, and shall be deemed modified to conform to such rule of law.

ARTICLE 2 MEMBERSHIP

Section 2.1 Membership. Every Owner shall be a member of the Association for the period of the Owner's ownership of the Unit. There shall be no more than one membership per Unit. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit.

Section 2.2 Representation on Executive Board. If title to a Unit is held by a firm, corporation, partnership, association, or other legal entity or any combination thereof, or if any individual or entity shall have title to more than one Unit, then in either case, that individual or entity may appoint, by a writing furnished to the Association, a delegate to represent each such Unit as a candidate for, and if elected, as a member of, the Executive Board. Such delegate shall not vote as a member of the Association unless such person shall be appointed by a proxy executed in conformance with Sections 3.6 and 3.7 of these Bylaws to cast the voting interest of the Unit which he represents.

Section 2.3 Responsibilities of Members. Any person, including Declarant, on becoming an Owner of a Unit, shall automatically become a member of the Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a 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, the Association during the period of such ownership, or impair any rights or remedies which the Executive Board, the Association or others may have against such former Owner arising out of ownership of the Unit and membership in the Association and the covenants and obligations incident thereto.

Section 2.4 Membership Certificates. No certificates of stock shall be issued by the Association, but the Executive Board may, if it so elects, issue membership cards or other certificates of ownership or membership to Owners. Membership cards and certificates of ownership or membership shall be surrendered to the Executive Board of the Association whenever ownership of the Unit shall terminate.

Section 2.5 Membership Categories. There shall be one category of membership in the Association consisting of all Owners.

Section 2.6 Voting Rights. Each Unit shall be allocated a vote for the purpose of matters relating to the Common Elements or the Project equal to the same number which is described as the Allocated Interest allocated to each Unit as set forth in Exhibit B to the Declaration. The Association shall not have a vote with respect to any Unit that may be owned by it. Declarant shall be entitled to vote with respect to Units owned by it. Members of the Association may exercise such voting rights subject to and in accordance with the provisions below and those of the Declaration.

ARTICLE 3 MEETINGS OF MEMBERS

Section 3.1 Place of Meeting. Meetings of the Association members shall be held at such place, within or without the State of Colorado, as the Executive Board may determine.

Any or all of the members may participate in a meeting of the members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A member participating in a meeting by this means is deemed to be present in person at the meeting.

Section 3.2 Annual Meeting. The annual meetings of the Association members shall be held on a date and at a time selected by the Executive Board in each year. Regular meetings of the Association shall be held at least once every twelve months. The purposes of the annual meetings are for the election of Directors and the transaction of such other business of the Association as may properly come before the meeting.

Section 3.3 Special Meetings. Special meetings of the Association members may be called, unless otherwise provided by law, by the President, a majority of the Executive Board, or the members representing twenty percent (20%) of the total Allocated Interests.

If a special meeting of Owners is called by members as provided in the paragraph immediately above, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the President, any Vice-President or the Secretary of the Association. The officer receiving the request shall cause notice to be promptly given to the members that a meeting will be held, and the date for such meeting, which date shall be not less than ten (10) nor more than fifty (50) days following the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice.

Section 3.4 Notice of Meetings. Written notice given in accordance with Section 6.6 of the Declaration to the members and stating the place, day, and hour of each meeting, and the purpose or purposes for which the meeting is called, shall be delivered and effective not less than ten (10) nor more than fifty (50) days before the date of the meeting, by or at the direction of the President or the persons calling the meeting as provided under these Bylaws, to the registered address for notice (as provided in the Declaration) of each Unit. The notice of any meeting at which Directors are to be elected shall include the names, addresses and brief biographical sketches of those who are nominees at the time the notice is sent to members.

Section 3.5 Adjourned Meetings. If any meeting of Association members cannot be organized because a quorum, as defined below in Section 3.8, has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is obtained.

Section 3.6 Proxies. Votes may be cast in person or by proxy, but no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise expressly provided

in the proxy. Proxies shall be filed with the Executive Board of the Association at or before the appointed time of each meeting. The Executive Board shall have the power and authority to approve the form of proxy used and, at minimum, such form shall include the following: (i) identification of the Unit to which the proxy relates; (ii) the name of the holder of the proxy (which must be only one individual); (iii) the scope of the power granted by the proxy; (iv) the duration of the power conveyed by the proxy; and (v) the signature of all Owners of record of the Unit. A member may submit a proxy by telegram, teletype or other electronic transmission, or as otherwise permitted by the RNC Act.

Section 3.7 Designation of Voting Representative; Proxy. If title to a Unit is held by more than one individual, or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, a proxy may be executed and filed with the Association in accordance with Section 3.6 of these Bylaws appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Association members and to cast the vote allocated to that Unit. In the absence of a proxy, the vote allocated to the Unit shall be suspended in the event more than one person seeks to exercise the right to vote on any one matter. In the event that a vote is cast by a member on behalf of such member's Unit without objection at the meeting at which such vote is cast by any other Owner of such Unit, then such person shall be deemed for all purposes under the Declaration and these Bylaws to be the duly and validly appointed representative for all Owners of the Unit. The Association and the Executive Board shall be entitled to rely on the authority of such Owner to vote with respect to the Unit. Unless an objection is raised at or before the time at which a vote is cast, the vote cast by such person shall be deemed validly cast on behalf of all of the Owners of such Unit and shall bind such other Owners. In the event co-Owners disagree on the manner in which a vote shall be cast, the co-Owners shall be deemed to have abstained.

Section 3.8 Quorum and Voting. The presence in person or by proxy of Owners of Units to which 20% of the votes of in the Association are allocated 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 of votes entitled to be cast by such members present in person or by proxy shall be sufficient to make decisions binding on the Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the articles of incorporation of the Association, or these Bylaws.

ARTICLE 4 EXECUTIVE BOARD

Section 4.1 Number and Qualification. The affairs of the Association shall be governed by an Executive Board, composed of from three (3) to five (5) persons. The Directors may be nonresidents of Colorado, but all Directors elected by the members (as opposed to any Directors appointed by Declarant pursuant to Section 4.2 below) must be owners of Units or their delegates.

Section 4.2 Declarant Control. Notwithstanding anything to the contrary provided for in the Declaration or these Bylaws, Declarant shall be entitled during the Declarant Control Period (defined below) to appoint and remove the members of the Association's Executive Board and the officers of the Association, subject to the following restrictions:

4.2.1 Not later than sixty (60) days after conveyance by Declarant of twenty-five percent (25%) of the total number of Units permitted under the Declaration to Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Owners other than Declarant.

4.2.2 Not later than sixty (60) days after conveyance by Declarant of fifty percent (50%) of the total number of Units permitted under the Declaration to Owners other than Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board shall be elected by Owners other than Declarant.

4.2.3 Not later than the termination of the Declarant Control Period, the Owners shall elect an Executive Board of a least three (3) members, at least a majority of whom shall be Owners other than Declarant or designated representatives of Owners other than Declarant.

4.2.4 The Declarant Control Period is hereby defined as the period of time commencing on date of incorporation of the Association and terminating on the earliest of the following events: (i) sixty (60) days after conveyance by Declarant of seventy-five percent (75%) of the total number of Units permitted under the Declaration to Owners other than Declarant, (ii) two (2) years after the last conveyance of a Unit by Declarant in the ordinary course of business, or (iii) the date on which Declarant voluntarily relinquishes such power evidenced by a notice recorded in the Office of the Clerk and Recorder for Pitkin County, Colorado.

Section 4.3 Initial Executive Board. The Executive Board shall initially consist of three (3) Directors. The names and addresses of three (3) persons who are to initially act in the capacity of Directors until their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
David Norden	c/o Hines Highlands Limited Partnership P.O. Box 5115 Aspen, Colorado 81612
Matt Stokes	c/o Hines Highlands Limited Partnership P.O. Box 5115 Aspen, Colorado 81612
Greg Karczewski	c/o Hines Highlands Limited Partnership P.O. Box 5115 Aspen, Colorado 81612

Section 4.4 Terms of Office of Initial Board. The terms of office of the Executive Board initially appointed by Declarant under Section 4.3 above shall be set by Declarant (subject to the provisions of termination under Section 4.2).

Section 4.5 Terms of Office of Subsequent Boards. Subject to the requirements of Section 38-33.3-303 of the Act, every Director appointed or elected to replace the members of

the Executive Board appointed by Declarant during the Declarant Control Period shall serve a term of from one to three years, so that the term of one-third (1/3), or as close as possible thereto, shall expire each year. Elections of Directors shall be conducted as provided in Section 4.6 below. The Directors shall hold office until their successors have been elected and qualified.

Section 4.6 Board Elections. Upon the events listed in Section 4.2 above requiring that certain member(s) of the Executive Board be elected by the Owners other than Declarant, a special meeting of the Association shall be called to hold elections for persons to replace such resigning members of the Executive Board.

Section 4.7 Nominations. Nominations of candidates for the Executive Board may be made by any members of the Association (including persons who are then members of the Executive Board). The candidate or candidates receiving the largest percentage of all votes of members present in person or represented by proxy at the meeting shall be elected to fill the number of available seats on the Executive Board. Cumulative voting shall not be allowed.

Section 4.8 Removal of Directors. At any regular or special meeting of the Association duly called at which a quorum of members exists, any one or more of the Directors may be removed with or without cause by a vote of sixty-seven percent (67%) of the votes of members present and entitled to be cast at such meeting; provided, however, that any Director elected by the Declarant may be removed only by the Declarant, and provided further that any Director elected by Owners other than Declarant may be removed only by Owners other than Declarant. Successors may then and there be elected to fill the vacancies thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. The Executive Board shall designate by resolution or motion when such regular or special meeting shall be held after such meeting is properly set or called in accordance with these Bylaws and Colorado law.

Section 4.9 Vacancies. Any vacancy occurring in the Executive Board may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Executive Board. The term of any Director so elected shall be coincident with the term of the replaced Director.

Section 4.10 Quorum of Directors. A majority of the number of Directors fixed from time to time by these Bylaws shall constitute a quorum for the transaction of business. Any act by a majority of a quorum of the Directors shall be an act of the Executive Board. At any meeting of the Executive Board at which a quorum is present, a quorum shall be deemed to exist throughout such meeting until it is adjourned.

Section 4.11 Place and Notice of Directors' Meetings. Any regular or special meetings of the Executive Board may be held at a place within Pitkin County, Colorado, which place may be designated by the Executive Board from time to time, and upon such notice as the Executive Board may prescribe. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Executive Board, any member of the Executive Board may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the

giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Executive Board need be specified in the waiver of notice of such meeting. The Executive Board 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 members of the Executive Board. Any action so approved shall have the same effect as though taken at a meeting of the Executive Board.

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

Section 4.13 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association. The Executive Board may do all such acts and things which are not specifically required to be done by the members of the Association by law, the Declaration, the Articles of Incorporation of the Association, or these Bylaws.

Section 4.14 Other Powers and Duties. Without limiting the generality of the powers and duties set forth in Section 4.13 of these Bylaws, and subject to the provisions of the Association Documents, the Act and the RNC Act, the Executive Board shall be empowered and shall have the powers and duties as follows:

4.14.1 To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration.

4.14.2 To adopt and amend from time to time administrative rules and regulations governing the use and operation of the Common Elements as provided in the Declaration.

4.14.3 To keep in good order, condition, and repair all the Common Elements and all items of personal property, if any, used in the enjoyment of the Project in accordance with the terms of the Declaration. No approval of the Owners is required for expenditures for these purposes.

4.14.4 To designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the Common Elements in accordance with the terms of the Declaration.

4.14.5 To obtain and maintain in effect the insurance coverage specified in the Declaration and such other insurance coverages that the Executive Board deems prudent in the exercise of its reasonable business judgment to the extent that insurance is available from reputable carriers at costs which are not demonstrably unreasonable. If the Executive Board or officers delegate their powers relating to collection, deposit, transfer, or disbursement of Association funds, or disbursement of Association funds to other persons or to a Managing Agent, the other persons or the Managing Agent shall maintain insurance coverage or a bond as required in the Declaration.

4.14.6 To fix, determine, levy, and collect the prorated annual Assessments to be paid by each of the members towards the gross expenses of the Project, and to adjust, decrease, or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the members as provided in the Declaration.

4.14.7 To levy and collect special Assessments whenever, in the opinion of the Executive Board, it is necessary to do so in order to meet unanticipated operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies, and further subject to the requirement that all special Assessments shall be based on a budget adopted in accordance with the terms of the Declaration prior to levying a special Assessment.

4.14.8 To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner; to enforce a late charge of fifteen percent (15%) of the amount outstanding or such other charge as the Executive Board may fix by rule from time to time in connection with Assessments remaining unpaid more than fifteen (15) days from due date for payment thereof (provided such late charge is not in excess of any amounts permitted by law); and to collect interest on unpaid Assessments in accordance with Article 8 of the Declaration at the Maximum Rate in effect on the date the obligation to pay such interest arises.

4.14.9 To protect and defend the Project from loss and damage by suit or otherwise.

4.14.10 To borrow funds in order to pay for any expenditure or outlay required for the Project or portion of the Project and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Association may deem necessary; provided, however, that the Association shall not borrow more than \$25,000 or cause the Association to be indebted for more than \$25,000 at any one time without the prior approval of a majority vote of the members present and entitled to vote at a meeting of members at which a quorum is present.

4.14.11 To dedicate, sell, or transfer all or any part of the Common Elements to any public, governmental, or quasi-governmental agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. The Act currently restricts the conveyance or encumbrance of the Common Elements pursuant to Section 38-33.3-312 of the Act.

4.14.12 To enter into contracts within the scope of their duties and powers, including, without limitation, contracts with any District or other homeowners' associations or entities to provide services for the benefit of members and their families, guests, tenants and invitees.

4.14.13 To establish a bank account for the treasury and for all separate funds which are required or may be deemed advisable by the Executive Board. Association funds shall not be commingled (i) with funds managed by the Management Company on behalf of other associations; or (ii) with its own funds. Reserves shall be maintained in separate accounts designated for such purposes separate and apart from operating accounts.

4.14.14 To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements of the Executive Board and to permit examination thereof by Owners and their Mortgagees at convenient weekday business hours.

4.14.15 To prepare and deliver annually to each member a statement showing all receipts, expenses, or disbursements since the last such statement, including depreciation and other tax information.

4.14.16 To own condominium parking spaces for the benefit of all or certain members of the Association, and to be a member of the Parking Facility Association pursuant to such ownership.

4.14.17 In general, to perform all other acts permitted under the Act, to carry on the administration of the Association and to do all those things necessary and responsible in order to carry out the communal aspects of condominium ownership and the proper governance and operation of the Association, all in accordance with the Declaration.

Section 4.15 Managing Agent. The Executive Board may delegate all or any part of its powers and duties to one or more Managing Agents, including Declarant or affiliates of Declarant or either of them. As long as the same is required by applicable law, ordinance or governmental rule or regulation, any Management Agreement shall allow for either party to terminate the Management Agreement, for cause, upon sixty (60) days' notice. Notwithstanding the delegation by the Executive Board to a Managing Agent, the Executive Board shall not be relieved of its responsibilities under the Declaration.

Section 4.16 Directors' 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 and approved by the members thereof. Each member of the Executive Board shall receive reimbursement for reasonable transportation, meals, and lodging expenses for attendance at any regular or special meeting of the Executive Board or for other actual expenses incurred in connection with the performance of the duties as a member of the Executive Board.

Section 4.17 Open Meetings. Regular and special meetings of the Board shall be open to all members of the Association provided, however, that members who are not on the Executive Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Executive Board. The Executive Board may, with the approval of a majority of a quorum of the Directors, adjourn a meeting and reconvene in executive session to discuss and vote upon matters as provided by the RNC Act. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE 5 OFFICERS AND THEIR DUTIES

Section 5.1 Enumeration of Officers. The officers of the Association shall be a President, Vice-President, Secretary, Treasurer and such other officers as the Executive Board

may from time to time by resolution create. The President must be a member of the Executive Board.

Section 5.2 Election of Officers. The election of officers shall take place at the first meeting of the Executive Board and thereafter at the first meeting of the Executive Board following each annual meeting of the members.

Section 5.3 Term. The officers of the Association shall be elected annually by the Executive Board and each shall hold office for one year unless such officer shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 5.4 Special Appointments. The Executive 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 Executive Board may from time to time determine.

Section 5.5 Resignation and Removal. Any officer may be removed from office with or without cause by a majority of voting Directors of the Executive Board. Any officer may resign at any time by giving written notice to the Executive Board or the President. 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.

Section 5.6 Vacancies. A vacancy in any office may be filled by appointment by the Executive Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 5.7 Multiple Offices. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of President and Vice-President shall not be held by the same person, nor shall the offices of President and Secretary be held by the same person.

Section 5.8 Duties. The duties of the officers are as follows:

5.8.1 President. The President shall: preside at all meetings designated for all Association members and the Executive Board; see that orders and resolutions of the Executive Board are carried out; sign all leases, mortgages, deeds, and other written instruments; sign all promissory notes; and exercise and discharge such other duties as may be required of the President by the Executive Board.

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

5.8.3 Secretary. The Secretary shall: record the votes and keep the minutes of all meetings and proceedings of the Executive Board and the Association; keep the original Association Documents; keep originals or copies of all contracts, leases, agreements and

instruments to which the Association is a party; keep the corporate stamp or seal of the Association, if any, and place it on all papers requiring said stamp or seal; serve notice of meetings of the Executive Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and perform such other duties as required by the Executive Board.

5.8.4 Treasurer. The Treasurer shall: receive and deposit in appropriate bank and other financial accounts all monies and assets of the Association and shall disburse such funds as directed by resolution of the Executive Board; sign all checks of the Association unless the Executive Board specifically directs otherwise; keep proper books of account; at the direction of the Executive Board, cause an annual accounting of the Association funds and a financial statement to be prepared and presented to the Association by a public accountant at least once every fiscal year; and prepare an annual budget and the financial 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 6 INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the fullest extent permitted by law and consistent with the Articles of Incorporation of the Association, the Association shall indemnify every Director, officer, employee and agent of the Association and every person who serves at the request of the Association as a manager, director, officer, employee, fiduciary or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, or other enterprise or employee benefit plan against any liability asserted against or incurred by such person in any such capacity or arising out of that person's capacity as such. The indemnification permitted under this Article shall not extend, in any event, to any act or omission occurring prior to the date of incorporation of the Association nor shall it extend to any act or omission resulting from the willful or wanton behavior or gross negligence of such person.

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 culpable of such acts or omissions whether resulting from willful or wanton behavior or gross negligence in the performance of such person's duties for the Association. The foregoing rights shall not be exclusive of other rights to which such Director or officer or other person may be entitled. All liability, loss, damage, cost, and expense arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense.

ARTICLE 7 BYLAWS AND DECLARATION

Section 7.1 Amendments to the Bylaws. The Bylaws may be altered, amended or rescinded by not less than two-thirds (2/3) of all the Directors until the first election of a majority of Directors by Owners other than the Declarant. Thereafter, the Bylaws may be altered, amended or rescinded by not less than a majority of all the Directors; provided, however, that the percentage of the voting power of the Association necessary to amend a specific clause or

provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause or provision.

Section 7.2 Compliance With State Law. These Bylaws are to be governed by and construed according to the laws of the State of Colorado. If it should appear that any of the provisions hereof are in conflict with any rule of law or statutory provision of the State of Colorado, then such provisions of these Bylaws shall be deemed inoperative and null and void insofar as they may be in conflict therewith, and shall be deemed modified to conform to such rule of law.

Notwithstanding any provision in the Declaration or these Bylaws of the Association, no term pertaining to voting requirements in the Declaration or in these Bylaws shall be construed so as to violate the Act.

Section 7.3 Conflict Between Documents. In the case of any conflict between or among the Association Documents, the Declarations shall control over the Articles of Incorporation, the Articles of Incorporation shall control over these Bylaws and the Bylaws shall control over the rules and regulations.

ARTICLE 8 NONPROFIT CORPORATION

The Association is not organized for profit. No member of the Association, member of the Executive Board, 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 operations of the Association, and, except in the event of termination and dissolution of the Association, in no event shall any part of the funds or assets of the Association be paid as a dividend, or be distributed to, or inure to the benefit of, any member of the Executive Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any member or Director acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association; (2) any member or Director 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; (3) reasonable compensation for officers and directors as approved by the Association; and (4) the distribution of any proceeds of insurance or resulting from the condemnation, sale or termination of the Project as described in the Declaration.

ARTICLE 9 OBLIGATIONS OF THE OWNERS

Section 9.1 Assessments. Except as otherwise provided in the Declaration, all Owners shall be obligated to pay the annual Assessments imposed by the Association to meet the Common Expenses. Unless otherwise determined by the Association, the annual Assessments, and any special Assessments which are to be paid in periodic installments, shall be paid periodically in advance and shall be due and payable to the Association at its principal office, or as the Association may otherwise direct in any Management Agreement, without notice (except as otherwise required by the Declaration), on the first day of the payment period. A member

shall be deemed to be in good standing and entitled to vote at any annual or 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 Unit owned by him.

Section 9.2 Registration of Mailing Address. All Owners of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of 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 such combination thereof to be used by the Association. Such registered address of an Owner or Owners shall be furnished by such Owners to the secretary of the Association within five days after transfer of title; and such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interests of all Owners thereof. If no such address is registered or if all of the Owners cannot agree, then the address shown on the deed to the Unit shall be deemed their registered address for the purposes of this Section until another registered address is furnished as required under this Section. If the Unit is the registered address of the Owners then any notice shall have been deemed to be duly given if it is delivered to any person occupying that Unit or, if such Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Association. The registered address may be changed from time to time by designation in accordance with this Section.

Section 9.3 Use of General Common Elements and Limited Common Elements. Each Owner shall use the Common Elements in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of the other Owners

Section 9.4 Assessments, Debts, and Other Obligations By Unit Owner. The Assessments, debts, and other obligations assumed by the Owner include the following:

9.4.1 The duty of Owners as set forth in the Declaration to reimburse the Association for repair or replacement of Common Elements, when such repair or replacement is occasioned by the negligent or willful act or omission of said Owner, his family members, employees, guests, or invitees.

9.4.2 The duty to pay all annual, special, and default Assessments provided for and governed by Article 8 of the Declaration and levied for any purpose authorized by the Declaration.

9.4.3 The responsibility for each Owner, to obtain that insurance related to his Unit provided for in Article 10 of the Declaration.

9.4.4 The duty to pay any separately metered or assessed utility costs and ad valorem taxes and special assessments levied by the State of Colorado or any political subdivision thereof on an Owner's Unit.

9.4.5 The duty to indemnify and hold harmless each of the other Owners and the Association, pursuant to Article 12 of the Declaration, from any liability arising from the claim of any mechanics' liens against an Owner's Unit or against the Common Elements.

9.4.6 The duty to adhere to and comply with all use restrictions of Article 13 of the Declaration.

9.4.7 The burdens imposed by the easements set forth in Article 14 of the Declaration.

9.4.8 The obligation to submit to the appointment of the Association as attorney in fact for purposes of dealing with the Project upon its damage, destruction, or obsolescence as provided in the Declaration.

9.4.9 The restrictions, limitations, and prohibitions relative to partitioning, severing ownership interests in the Common Elements, and leasing and sale of Units as set forth in the Declaration.

9.4.10 Such other duties and obligations as may be imposed under the Declaration or these Bylaws and other Association Documents.

ARTICLE 10 COMMITTEES

The Executive Board of the Association may appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE 11 BOOKS AND RECORDS; STATEMENT OF ACCOUNT

Inspection. The records of receipts and expenditures of the Executive Board, and other books, records and papers of the Association, including the Declaration, the Articles of Incorporation, and these Bylaws, as well as any Management Agreement and any rules and regulations of the Association shall be available for inspection during convenient weekday business hours by the Owners and their lenders and to holders, insurers or guarantors of First Mortgages at the principal office of the Association, where copies may be purchased at reasonable cost. The records shall be made available for inspection at the office where the records are maintained. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts.

The Association may, as a condition to permitting a member to inspect the membership register or its furnishing information from the register, require that the member agree in writing not to use, or allow the use, of information from the membership register for commercial or other purposes not reasonably related to the regular business of the Association and the member's interest in the Association.

Section 11.1 Statement of Account. Upon fourteen (14) calendar days' notice to the relevant Managing Agent, if any, or to the Executive Board, and payment of a reasonable fee, any Owner shall be furnished a statement of the Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner, together with such other information available pursuant to Section 8.14 of the Declaration.

**ARTICLE 12
CORPORATE SEAL**

The Association may have a seal or stamp in circular form having within its form the words: "Wille Residences Condominium Association"

**ARTICLE 13
FISCAL YEAR**

The fiscal year of the Association shall begin on a date to be determined by action of the Executive Board, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Wille Residences Condominium Association, a Colorado nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of that Association, as duly adopted by written action of the Executive Board of that Association, on the 11 day of December, 2001.

Dated: December 11, 2001.



Greg Karczewski, Secretary/Treasurer