

BY-LAWS OF

WOODRIDGE TERRACE HOMEOWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

Article I	OBJECTIVE AND DEFINITIONS	
Section	1.1 Purpose	1
Section	1.2 Assent	1
Section	1.3 Definitions	1
Article II	MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES	
Section	2.1 Membership	2
Section	2.2 Classes of Membership and Voting Rights	2
Section	2.3 Transfer	3
Section	2.4 Majority of Owners	3
Section	2.5 Quorum	3
Section	2.6 Proxies	3
Section	2.7 Voting by Mail	4
Article III	ADMINISTRATION AND MEETINGS OF MEMBERS	
Section	3.1 Association Responsibilities	5
Section	3.2 Place of Meetings	5
Section	3.3 Annual Meetings	5
Section	3.4 Special Meetings	5
Section	3.5 Notices	6
Section	3.6 Adjourned Meetings	6
Section	3.7 Order of Business	6
Article IV	BOARD OF DIRECTORS	
Section	4.1 Number and Qualifications	6
Section	4.2 Powers and Duties	7
Section	4.3 Other Powers and Duties	7
Section	4.4 Management	10
Section	4.5 Vacancies	11
Section	4.6 Removal of Director	11
Section	4.7 Organization Meeting	11
Section	4.8 Regular Meetings	11
Section	4.9 Waiver of Notice	12
Section	4.10 Quorum	12
Section	4.11 Fidelity Bonds	12
Section	4.12 Director's Fees	13
Section	4.13 Action Taken without A Meeting	13

Article	V	OFFICERS	
Section	5.1	Designation. . . . .	.13
Section	5.2	Election of Officers . . . . .	.13
Section	5.3	Removal of Officers. . . . .	.13
Section	5.4	President. . . . .	.13
Section	5.5	Vice-President . . . . .	.14
Section	5.6	Secretary. . . . .	.14
Section	5.7	Treasurer. . . . .	.14
Section	5.8	Assistant Secretary. . . . .	.14
Section	5.9	Assistant Treasurer. . . . .	.14
Article	VI	INDEMNIFICATION OF OFFICERS AND DIRECTORS	
Section	6.1	Indemnification. . . . .	.15
Article	VII	OBLIGATION OF THE OWNERS	
Section	7.1	Assessments. . . . .	.16
Section	7.2	Maintenance and Repair . . . . .	.16
Section	7.3	Mechanic's Lien. . . . .	.17
Section	7.4	General. . . . .	.17
Section	7.5	Use of Dwelling Units. . . . .	.17
Section	7.6	Use of Common Areas. . . . .	.19
Section	7.7	Right of Entry . . . . .	.19
Section	7.8	Rules and Regulations. . . . .	.20
Section	7.9	Destruction or Obsolescence. . . . .	.20
Article	VIII	BY-LAWS	
Section	8.1	Amendments . . . . .	.20
Section	8.2	Case of Conflict . . . . .	.21
Article	IX	MORTGAGES	
Section	9.1	Notice to Association. . . . .	.22
Section	9.2	Notice of Unpaid Assessments . . . . .	.22
Section	9.3	Attendance at Meetings . . . . .	.22
Article	X	EVIDENCE OF OWNERSHIP AND REGISTRATION OF MAILING ADDRESS	
Section	10.1	Proof of Ownership . . . . .	.22
Section	10.2	Registration of Mailing Address. . . . .	.22
Section	10.3	Completed Requirement. . . . .	.23
Article	XI	RESTRICTIONS	
Section	11.1	Nonprofit Corporation. . . . .	.23
Article	XII	SEAL	
Section	12.1	Seal . . . . .	.23
Article	XIII	FISCAL YEAR	
Section	13.1	Fiscal Year. . . . .	.23
Exhibit	A	. . . . .	.25

BY-LAWS
OF
WOODRIDGE TERRACE HOMEOWNERS ASSOCIATION, INC.

The name of the Corporation shall be WOODRIDGE TERRACE HOMEOWNERS ASSOCIATION, INC., a Colorado nonprofit corporation (hereinafter referred to as the "Association").

ARTICLE I

OBJECT AND DEFINITIONS

Section 1.1 Purpose. The purpose for which this Association is formed is to govern the property located in Arapahoe County, Colorado, and more particularly described on Exhibit "A", attached hereto and incorporated herein by this reference; and any other property which the Association may own.

The above referenced property has been submitted to a Declaration entitled Declaration of Covenants, Conditions and Restrictions for WOODRIDGE TERRACE TOWNHOMES (hereinafter referred to as the "Declaration").

Section 1.2 Assent. All present or future Owners, tenants future tenants, or any other person using the facilities of the Project in any manner are subject to the regulations set forth in these By-laws. The mere acquisition or rental of any of the Lots of the Project or the mere act of occupancy of the Lots shall constitute ratification of these By-laws.

Section 1.3 Definitions. Unless otherwise specified, the following terms shall have the same meaning in these By-laws as such terms have in the Declaration: Association, Board of Directors, Building, Common Area, Common Area Improvements, Common Expense, Declarant, Declaration, Dwelling Unit, First Mortgagee, Lot, Lot Improvements, Member, Mortgage, Mortgagee, Owner, Project, Properties, Subdivision Plat.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS,
QUORUM, PROXIES

Section 2.1 Membership The total number of memberships shall not exceed the number of Lots and shall in no event exceed 189. Upon becoming an Owner of a Lot, any person automatically shall become a Member of this Association and shall be subject to the provisions of the Articles of Incorporation and to these By-laws. Such membership shall terminate without any Association action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in connection with the Association during the period of ownership and membership in this Association, nor shall such termination impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of, or in any way connected with, such ownership and membership, and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue one membership card to the Owner(s) of a Lot. Such membership card shall be surrendered whenever ownership of the Lot designated thereon shall terminate.

Section 2.2 Classes of Membership and Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The then existing Class B memberships shall cease, and be converted to Class A memberships upon the happening of either of the following events, which ever occurs first:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) March 31, 1988.

Section 2.3 Transfer. Except as otherwise expressly stated herein, any of the rights, interests, and obligations of the Association set forth or reserved herein may not be transferred or assigned to any other person or entity. No such transfer or assignment shall relieve the Association of any of the obligations set forth herein. No such transfer or assignment shall revoke or change any of the rights or obligations of any owners as set forth herein.

Section 2.4 Majority of Owners. As used in these By-laws, the term "majority of Owners" shall mean and refer to Owners who in the aggregate are allocated equal to or more than fifty-one percent (51%) of the votes in the Association.

Section 2.5 Quorum. Except as otherwise provided in these By-laws, the presence in person or by proxy of Owners to whom twenty-five percent (25%) of the votes in the Association are allocated shall constitute a quorum. An affirmative vote by the Owners, present physically or by proxy, representing a majority of the votes entitled to be cast by virtue of their presence in person or by proxy at a duly called meeting, shall be required to transact any business.

Section 2.6 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid for a period longer than eleven (11) months after the date thereof.

Section 2.7 Voting By Mail. The Board of Directors may decide that voting of the Members shall be by mail with respect to any properly noticed matter or to any particular election of Directors or with respect to adoption of any proposed amendment to the Articles of Incorporation, or adoption of a proposed plan of merger, consolidation, or dissolution.

In case of election of Directors by mail, the existing Board of Directors shall nominate candidates and shall advise the Secretary in writing of the names of nominated Directors sufficient to constitute a full Board of Directors, and of a date, which must be at least fifty (50) days after such advice is given, by which all votes are to be received. The Secretary, within five days after such advice is given, shall give written notice of the number of Directors to be elected and of the names of the nominees to all Owners. The notice shall state that any such Owner may nominate an additional candidate or candidates, not to exceed the number of Directors to be elected, by notice in writing to the Secretary at the specified address of the principal office of the Association, to be received on or before a specified date fifteen (15) days from the date the notice is given by the Secretary. Within five (5) days after such specified date, the Secretary shall give written notice to all Owners, stating the number of Directors to be elected, stating the names of all persons nominated by the Board of Directors and by the Owners on or before said specified date, stating that each Owner may cast a vote by mail and stating the date established by the Board of Directors by which such votes must be received by the Secretary at the address of the principal office of the Association, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as Directors pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice of receipt of such votes.

In the case of a vote by mail relating to any properly noticed matter or to any proposed amendment to the Articles of Incorporation or adopting a proposed plan of merger, consolidation, or dissolution, the Secretary shall give notice to all Owners, and shall further give notice to all First Mortgagees of Lots within the project, which notices shall include a proposed written resolution setting forth the description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such

proposal and stating a date not less than twenty (20) days after the date such notice shall have been given on or before which all votes must be received and stating that they must be sent to the specified address of the principal office of the Association. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of the Owners to whom sixty-seven percent (67%) of the votes in the Association are allocated; however, in the event the proposal concerns a matter described in Section 5.5 of the Declaration, then the proposal shall not be considered adopted unless sixty-seven (67%) of the First Mortgagees have given their consent as required in the Declaration.

Delivery of a vote in writing to the principal office of the Corporation shall be equivalent to receipt of a vote by mail at such address for the purposes of this Section 2.7.

ARTICLE III

ADMINISTRATION AND MEETINGS OF MEMBERS

- Section 3.1 Association Responsibilities. The Owners of the Lots will constitute the Association, who will have the responsibility of administering the project through a Board of Directors.
- Section 3.2 Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.
- Section 3.3 Annual Meetings. The first and subsequent annual meetings shall take place on such date as chosen by the Board of Directors; however at least one annual meeting shall take place during each calendar year after the creation of the first Class A Member and an annual meeting shall also be scheduled within 390 days of any previous annual meeting. At each annual meeting there shall be elected Directors by ballot of the Owners. The Owners may also transact such other business of the Association as may properly come before them.
- Section 3.4 Special Meetings. The President shall call a special meeting of the Owners when so directed by resolution of the Board of Directors or upon presentation to the Secretary of a petition signed by a majority of the Class A Members. No business shall be transacted at a special meeting except as stated in the notice unless by consent of sixty-seven (67%) of the Members either in person or by proxy.

Section 3.5 Notices. Notices of annual and special meetings shall be given by the President or Secretary of the Association by regular mail addressed to the registered addresses of the Owners at least ten (10) but not more than fifty (50) days prior to the date set for such meeting. Any such notice shall state the date, time and place of the meeting, and if the meeting is a special meeting, the purposes thereof. Waiver of notice, either in person or by proxy, and signed either before, at or after any meeting, shall be a valid substitute of service. The certificate of the President or Secretary that notice was duly given shall be prima facie evidence thereof.

Section 3.6 Adjourned Meeting. If any meeting of the Owners cannot be organized because a quorum has not attended, the Owners 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.

Section 3.7 Order of Business. The order of business at all annual meetings of the Members shall be as follows:

- A. Roll Call;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of Minutes of preceding meeting;
- D. Reports of Officers;
- E. Reports of Committees;
- F. Election of Directors;
- G. Unfinished business;
- H. New business.

The order of business at all special meetings of the Members shall be as stated in the notice of special meeting pursuant to Section 3.5 above.

ARTICLE IV

BOARD OF DIRECTORS (POWERS AND MEETINGS)

Section 4.1 Number and Qualification. The affairs of this Association shall be governed by a Board of Directors composed of not less than three (3) or more than nine (9) persons selected from among the Owners or their designates. The initial Board shall consist of three (3) persons who shall be D. CRAIG FORD, WILLIAM J. GREELEY, AND THERESA CHOMAN, who shall act in such capacity and shall manage the affairs of the Association until their successors are elected. The number of Directors making up the Board shall not be changed without approval of the Owners to whom sixty-seven percent (67%) of the votes in the Association are allocated.

Section 4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Project.

Section 4.3 Other Powers and Duties. The Board of Directors shall be empowered to accomplish the following duties:

- A. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration referred to in Section 1.1.
- B. To establish, make and enforce compliance with such reasonable Rules and Regulations as may be necessary for the operation, use, and occupancy of this Project, with the right to amend same from time to time. Such Rules and Regulations may include provisions regarding the exclusion of any and all animals from the Project or the limitation and control thereof. Such Rules and Regulations may also include, without limitation, provisions regarding the leasing of Dwelling Units, including without limitation, the form of lease documents used, providing the Association with a copy of any such or leases, and such other related regulations deemed advisable and/or necessary by the Board of Directors.
- C. To keep, or cause to be kept, in good order, condition, and repair all of the Common Areas, Common Area Improvements and Lots, as applicable, and all items of common personal property, if any.
- D. To insure and keep insured all of the insurable Common Area Improvements, and all buildings and Lot Improvements of the Property, in an amount equal to their maximum replacement value as provided in the Declaration. The Board of Directors shall determine such replacement value at least annually, and in so doing may employ such experts as the Board may feel necessary. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$1,000,000 single limit. To insure, and keep insured all of the material fixtures, equipment and property acquired by the Association for the

benefit of the Association and the Owners of the Lots and their First Mortgagees.

- E. To fix, determine, levy, and collect the annual, special, or other assessments and installments thereof to be paid by each of the Owners towards the gross expenses of the entire premises; and by majority vote of the Board to adjust, decrease, or increase the amount of the assessments or installments thereof. The Board of Directors, or its agent, may establish any reasonable system for collection periodically of Common Expenses, in advance or arrears as deemed desirable. Initially, assessments for the estimated Common Expenses on an annual basis shall be made by the Board and shall be payable in equal monthly installments in advance on the first day of each calendar month. At the end of each calendar year the Board shall determine actual expenses and either assess each Owner or credit against the next ensuing calendar year, as the case may be. Assessments made shall be based upon the estimated cash requirements deemed to be such aggregate sum as the Board shall, from time to time, determine to be paid by all of the Owners. Estimated expenses include the costs of maintenance and operation of the Common Areas, Common Area Improvements, building exteriors, and, to that extent applicable to the Lots, expenses of management, taxes and special assessments unless separately assessed, insurance premiums for insurance coverage as deemed desirable or necessary by the Board, landscaping and care of grounds, common lighting, repairs and renovations, wages, common water and utility charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Board of Directors under or by reason of the Declaration and these By-laws, payment of any deficit remaining from a previous assessment period, the creation of a reasonable contingency or capital reserve fund, as well as other costs and expenses relating to the Common Areas and for the purpose and powers of the Association. All annual or other assessments or installments thereof shall be in itemized statement form, shall set forth in reasonable detail the various expenses for which the assessments are being made, and shall be mailed to the registered

mailing address of each Owner not later than fifteen (15) days prior to the date such assessment is payable.

Declarant shall have the obligation to pay a Common Expense Assessment on each Lot owned by Declarant, and subject to the Declaration, but this assessment shall be in an amount of not less than twenty-five percent (25%) of the assessment chargeable to a Lot owned by a purchaser other than the Declarant, however, this obligation shall only begin after the first Lot in the phase in which the Declarant's Lots are located has been conveyed to a Class A Owner. This right of the Declarant to pay a reduced assessment shall terminate as to a particular Lot when a certificate of occupancy is issued for a Dwelling Unit on that Lot. During the time Declarant is entitled to Class B membership as provided in Section 2.2, Declarant agrees to pay to the Association a sum equal to the difference between the annual cost of operating and maintaining the Common Areas, exclusive of reserves, and the amount of funds payable to the Association as assessments.

- F. To collect delinquent assessments or installments thereof by suit, foreclosure, or otherwise and to enjoin or seek damages from an Owner, as is provided in the Declaration and these By-laws.
- G. To protect and defend the entire premises from loss and damage by suit or otherwise.
- H. To borrow funds and to execute all such instruments evidencing such indebtedness.
- I. To enter into contracts within the scope of their duties and powers.
- J. To establish bank accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.
- K. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by the Owners or their Mortgagees at convenient weekday business hours.
- L. To prepare and deliver annually to each Owner a statement showing, in at least summary form, all receipts, expenses or disbursements since the last such statement.
- M. To meet at least quarterly.

- N. To designate and remove personnel necessary for the management, maintenance, operation, repair, and replacement of the Common Areas and Common Area Improvements, the building exteriors, and, as applicable, the Lots.
- O. On ten (10) days' notice, and for receipt of a reasonable fee of at least \$25 from the requesting party (except First Mortgagees, who shall be exempt from such fee), to furnish a certificate of the Owner's account setting forth the amount of any unpaid amounts or other charges due and owing from such Owner or allocated to such Owner's Lot.
- P. 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 communal aspect of this Project.

Section 4.4 Management The Board of Directors may employ for the Association a Management Contractor referred to in the Declaration, at a compensation established by the Board, to perform such duties and services as the Board shall authorize, but such employment shall not relieve the Board of Directors responsibility herein and pursuant to the Declaration.

During the period when the Declarant is in control of the Association, any management contracts entered into by the Association with respect to such professional management of the Project, and any contracts that such professional management shall enter on behalf of the Association, shall be for a term not to exceed one (1) year and must contain a provision allowing either party to cancel the contract with or without cause, and without a payment of a termination fee or penalty, upon ninety (90) days prior written notice. Further, and in connection with the Association's right to contract for management and personnel, whether on-site or off-site in nature, the Association shall have the right to limit the use of portions of the Common Areas for purposes of maintenance and storage facilities, management office facilities, management housing facilities to the extent allowable, and other such purposes as deemed desirable and necessary by the Association for the purposes of management and maintenance of the Project.

Any Management Contractor shall be an independent contractor and neither a Management Contractor, nor any of its employees, shall be considered as employees of the Association.

Section 4.5 Vacancies. Vacancies in the Board of Directors caused by any reason, other than the removal of a Director by a vote of the Association, shall be filled by remaining members or member of the Board of Directors. If there is no remaining member of the Board, then an election shall be had by a mail vote or special meeting as provided in Sections 2.7 and 3.4 respectively.

Section 4.6 Removal of Director. Directors may be removed with or without cause by a vote of Owners of Lots to which at least fifty-one percent (51%) of the votes in the Association are allocated.

Section 4.7 Organization Meeting. The first meeting of a newly elected Board of Directors shall be held immediately following the annual meeting, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting.

Section 4.8 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 four such meetings shall be held during each fiscal year and one such meeting shall be held immediately following the annual meeting of Owners. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting.

Section 4.9 Waiver of Notice. Before, at or after 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.

Section 4.10 Quorum. At all meetings of the Board of Directors, a majority thereof shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time and set the time for reconvening. If a quorum of Directors reconvenes after such an adjournment, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.11 Fidelity Bonds. The Board of Directors may require that all Officers, Directors, Management Contractors, volunteers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds (except for Management Contractor's) shall be paid by the Association as a Common Expense. Any such bond shall be in an amount not less than 150% of the annual budget.

Section 4.12 Director's Fees. Each Director shall receive transportation and other reasonably related expenses for attendance at any regular or special meeting of the Board of Directors, and such expenses shall be deemed Common Expenses.

Section 4.13 Director's Term. Directors shall serve from the time of their election or appointment until (a) the next annual meeting, (b) the receipt of their written resignation by another Director, or (c) until removal as provided Section 4.6 above, whichever occurs first.

ARTICLE V

OFFICERS

Section 5.1 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 of Directors.

Section 5.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two offices, except that the same person may not concurrently hold the offices of President and Secretary. The office of Vice-President need not be filled.

Section 5.3 Removal of Officers. Upon an affirmative vote of majority of the members of the Board of Directors, any officer may be removed, with or without cause, and his or her successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 5.4 President. The President shall be the chief executive officer of the Association and shall be elected from among the members of the Board of Directors. The President shall preside at all meetings of the Association and the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit corporation, including but not limited to, the power to appoint committees from among the Owners as the

President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5.5 Vice-President. A Vice-President shall have all the powers and authority, and perform all of the functions and duties of the President, in the absence of the President, or in the event of the President's inability for any reason to exercise such powers and functions or perform such duties.

Section 5.6 Secretary. The Secretary shall keep the minutes of meetings of the Board of Directors and minutes of meetings of the Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct, and shall in general perform all the duties incident to the office of Secretary. The Secretary shall compile, and keep current at the principal office of the Association, a complete list of Member's and their registered mailing addresses. Such list shall also show opposite each Member's name the number or other appropriate designation of the Unit 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.

Section 5.7 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate financial records and books of account of the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors. The Treasurer may also serve as Secretary in the event the Secretary and Assistant Secretary (if any) are absent.

Section 5.8 Assistant Secretary. The Board of Directors may appoint one or more Assistant Secretaries to perform all the duties of the Secretary in the absence of the Secretary.

Section 5.9 Assistant Treasurer. The Board of Directors may appoint one or more Assistant Treasurers to perform all of the duties of the Treasurer in the absence of the Treasurer.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 6.1 Indemnification. The Association shall indemnify every Director, Officer, agent or employee, and any former Director, Officer, agent, or employee against loss, costs, and expense, including counsel fees reasonably incurred in connection with any action, suit, or proceeding to which such person may be made a party by reason of being, or having been such Director, Officer, agent or employee of the Association, except as to matters as to which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnification shall be limited to, and may only be paid out of, the insurance proceeds provided by an insurer furnishing Officers' and Directors' Errors and Omissions insurance coverage, and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles for public liability, property damage, general liability,, medical and other similar coverage, it being the intent and purpose of this provision to limit all payments or settlements in indemnification to the actual proceeds of such insurance policies.

No indemnification shall be provided for acts constituting gross negligence, fraud or reprehensible conduct.

No Management Contractor, who is an independent contractor, nor any other independent contractor, shall be protected by these indemnification provisions nor by any insurance policies obtained by the Association in relation thereto, but any such protection is the sole and separate responsibility of any Management Contractor who is an independent contractor, or any other independent contractor, as one of their expenses of doing business.

In the event of a settlement, the settlement shall be approved by the insurance carrier, and paid for by the insurance carrier, out of the insurance proceeds.

ARTICLE VII

OBLIGATIONS OF THE OWNERS

Section 7.1 Assessments. Except as otherwise provided hereinabove and in the referenced Declaration, all Owners, except Declarant to a limited degree, shall be obligated to pay the annual assessments or any installments thereof imposed by the Association to meet the Common Expenses, and payment of any installments thereof shall be made not later than on the fifteenth (15th) day following the due date. The assessments shall be made pro-rata according to number of Lots, and any installments thereof shall be due monthly in advance. A Member shall be deemed to be in good standing and entitled to vote at any annual or at any special meeting of Members, within the meaning of these By-laws, if, and only if, the Owner shall have fully paid all assessments and installments thereof made or levied against such Owner and the Lot owned by such Owner. The limited exemption of Declarant to pay the Common Area Assessments for those Lots owned by Declarant, as referenced hereinabove and in the referenced Declaration, shall not affect in any manner or form Declarant's good standing and/or Declarant's right to vote as to those respective Lots so owned by the Declarant.

Section 7.2 Maintenance and Repair.

- A. Except as may be provided in the Declaration, every Owner must perform promptly at such Owner's expense all maintenance and repair work within such Owner's Lot and Dwelling Unit, which if omitted, would affect the project in its entirety or any part belonging to another Owner.
- B. All the repairs of internal installations of the Dwelling Unit such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, window panes, electrical fixtures, and all other accessories, equipment and fixtures including any air conditioning equipment belonging to the Dwelling Unit, and including appurtenances thereto, shall be at the individual Owner's expense.

- C. An Owner shall be obligated to reimburse the Association, or another Owner, upon receipt of a statement for any expenditures incurred by the Association, or another Owner, or both in repairing, replacing, or restoring any Common Area Improvement, or the interior or any part of a Building or Dwelling Unit, damaged as a result of the negligent or other tortious conduct of such Owner, a member of his or her family, his or her agent, employee, invitee, licensee or tenant.

Section 7.3 Mechanic's Lien. Each Owner agrees to indemnify, and to hold each of the other Owners harmless, from any and all claims of any mechanic's lien filed against other Lots and appurtenances and the Common Area for labor, materials, services, or other products incorporated in the Owner's Dwelling Unit. In the event suit for foreclosure of a mechanic's lien is commenced, then within ninety (90) days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of each claim plus interest for one year together with the sum of \$100. Such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject Owner, and such Owner's failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Owner and a lien against such Owner's Lot, which may be foreclosed as is provided in Article IX of the Declaration.

Section 7.4 General.

- A. Each Owner shall comply strictly with the provisions of the Declaration.
- B. Each Owner shall always endeavor to observe and promote the co-operative purposes for which the Project was established.

Section 7.5 Use of Dwelling Units

- A. Dwelling Units shall be utilized for only those purposes permitted in the Declaration.

- B. No Owner, tenant, or lessee shall use radios, phonographs, television sets, amplifiers, and any other instruments or devices in such manner as may disturb, or which may tend to disturb, other occupants of Dwelling Units.
- C. Owners, tenants, or guests shall not hang garments, rugs, and other materials from the windows, or from any of the facades or balconies of the building, or any of the improvements.
- D. Owners, tenants, or guests shall not throw garbage or trash outside the disposal installations provided for such purposes.
- E. No Owner, tenant, or lessee shall install wiring for electrical or telephone installation, television antenna, machines, or air conditioning units on the exterior of the Project or protruding through the walls or the roof of the Project, except as expressly authorized by the Architectural Control Committee.
- F. If the Association deems it advisable, all Owner's automobiles parked in a Common Area may be required to be registered with the Management Contractor and and display a Dwelling Unit "tag" or "decal" which would be provided for such purpose.
- G. The Association assumes no responsibility for damage done to automobiles parked in Common Areas.
- H. No noisy vehicles shall be permitted on the premises. There shall be no storing of vehicles on the premises during the Owner's extended absence.
- I. There shall be no repair of vehicles on the premises, except emergency repairing or cleaning.
- J. The rental of any unit shall be in accordance with the Declarations (Section 10.7), and any Rules and Regulations established for such rental by the Board of Directors, but Owners, subject to the Declaration and any Rules and Regulations, may enter into rental and management agreements with their agents.

- K. An Owner shall not make structural modifications or alterations to his, her, its or their Dwelling Unit located therein without the prior written approval of the Architectural Control Committee as provided in the Declaration.
- L. The Board of Directors shall have the power to establish, make, and enforce compliance with such additional Rules and Regulations as may be necessary for the operation, use, and occupancy of this Project, with the right to amend same from time to time. Among those Rules and Regulations which the Board of Directors may make is the total prohibition of the keeping of any animals in any Dwelling Unit or within the Common Areas.

Section 7.6 Use of Common Areas. Each Owner shall use the Common Areas in accordance with the purpose for which they were intended, without hindering or encroaching upon the lawful rights of the other Owners. The Rules and Regulations will specifically give details on the use of the Common Area amenities.

Section 7.7 Right of Entry.

- A. An Owner shall permit the Management Contractor, or any other person authorized by the Board of Directors, the right of access to the Owner's Dwelling Unit and appurtenances from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of the exterior building elements; or at any time it is deemed necessary by the Management Contractor or Board of Directors for the making of emergency repairs or preventing damage to any of the Common Areas or building exteriors.
- B. An Owner shall permit other Owners, or their representatives, when so required, to enter such Owner's Dwelling Unit for the purpose of performing installations, alterations, or repairs to any common mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

Section 7.8 Rules and Regulations. The following are initial administrative Rules and Regulations in addition to those set forth in the Declaration, which may be amended, supplemented, or revoked from time to time by the Board of Directors:

- A. No Owner or occupant of Dwelling Units shall post any advertisement or posters of any kind in or on the Project except as authorized by the Association. This prohibition shall not apply to the Association nor to the Declarant under the Declaration, or their respective agents.
- B. Owners and occupants of Dwelling Units shall exercise extreme care to avoid making, or permitting to be made, loud or objectionable noises; and in using, or playing or permitting to be used any musical instruments.

Section 7.9 Destruction or Obsolescence. Each Owner shall, upon becoming an Owner of a Lot or as requested by the Association thereafter, execute a power of attorney in favor of the Association, irrevocably appointing the Association attorney-in-fact to maintain, repair and improve the Common Areas, Building Exteriors, and, to the extent applicable, the Lots and Lot Improvements, and to deal with the Owner's Dwelling Unit upon its destruction or obsolescence and regarding insurance proceeds and as may be additionally provided in the Declaration. The purpose of such execution shall be more fully to evidence such appointment, but failure to execute such power of attorney shall in no way derogate from the appointment provided in the Declaration.

ARTICLE VIII

BY-LAWS

Section 8.1 Amendments. These By-laws may be amended by the Board of Directors at a duly constituted Board meeting for such purpose, or at a meeting of Owners called for such purpose and approved by Owners representing interests of a least sixty-seven percent (67%) of the membership. The notice of such Board or Owner meeting shall contain a summary of the proposed changes or a copy of such proposed changes. No amendment shall serve to shorten the term of any Director. The prior approval of fifty-one percent (51%) of First Mortgagees shall be required for any material amendments to these By-laws. Approval of First Mortgagees may be accomplished as provided in Section 21.7 and Section 21.8 of the Declarations. "Material" shall mean and be defined by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation Contract Supplement and Selling Guides.

Section 8.2 Case of Conflict. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; in case of any conflict between the Declaration and these By-laws, the Declaration shall control; and in the case of any conflict between the Articles and the Declaration, the Declaration shall control.

ARTICLE IX

MORTGAGES

- Section 9.1 Notice to Association. An Owner who mortgages his, her, its or their Dwelling Unit shall notify the Board of Directors through the Management Contractor, if any, or the President of the Board of Directors, giving the name and address of such Owner's Mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Lots".
- Section 9.2 Notice of Unpaid Assessments, The Association shall, at the request of a Mortgagee of a Lot, report any unpaid assessments due from the Owner of such Lot.
- Section 9.3 Attendance at Meetings A First Mortgagee shall have the right to attend any meeting of the Members.

ARTICLE X

EVIDENCE OF OWNERSHIP AND REGISTRATION OF MAIL ADDRESS

- Section 10.1 Proof of Ownership. Any person, on becoming an Owner of a Lot, shall furnish to the Management Contractor or Board of Director a photocopy (or, if requested by the Board, certified copy) of the recorded instrument vesting that person or entity with an interest or ownership, which instrument shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall he, she, it or they be entitled to vote at any annual or special meeting, unless this requirement is first met.
- Section 10.2 Registration of Mailing Address, The Owners of each Lot shall have one registered mailing address for use by the Association for mailing 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 an Owner or Owners shall be furnished by such Owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interest of (all of) the Owners thereof. Registered addresses may be changed in a similar fashion. If no such address is registered, or if all of the Owners cannot agree, then the address of the Owners shall be the address of the Lot.

Section 10.3 Completed Requirement. The requirements contained in this Article shall be first met before an Owner of a Lot shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE XI

RESTRICTIONS

Section 11.1 Nonprofit Corporation. This Association is not organized for profit. No Member, member of the Board of Directors, 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 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 benefit of, any Member of the Board of Directors. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any Member or Director while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any Member or Director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XII

SEAL

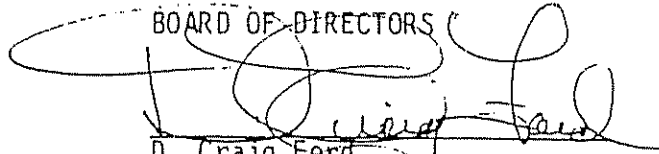
Section 12.1 Seal. The corporate seal shall consist of two concentric circles with the name of the Corporation and the word "Colorado" between the circles, and the word "Seal" in the center.


ARTICLE XIII

FISCAL YEAR

Section 13.1 Fiscal Year. The fiscal year of the Association shall be as determined from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned have executed these By-laws at Denver, Colorado, this 20th day of April, 1983.

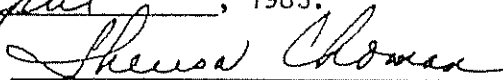
BOARD OF DIRECTORS

D. Craig Ford


William J. Greeley


Theresa Choman

The undersigned Secretary of WOODRIDGE TERRACE HOMEOWNERS ASSOCIATION, INC., a Colorado nonprofit corporation, does hereby certify that the above and foregoing By-laws were duly adopted by the Board of Directors as the By-laws of said Corporation on the 20th day of April, 1983 and that they do now constitute the By-laws of said Corporation.

Dated this 20th day of April, 1983.


Secretary