

BY-LAWS
OF
WESTRIDGE ESTATES P.U.D. ASSOCIATION

ARTICLE I - NAME

The name of the Corporation is WESTRIDGE ESTATES P.U.D. ASSOCIATION, hereinafter referred to as "the Association."

ARTICLE II - DEFINITIONS

1. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Westridge Estates P.U.D. recorded in the office of the Clerk and Recorder, Larimer County, Colorado.

2. All other words and terms used in these By-Laws shall have the meaning given in the Declaration.

ARTICLE III - OFFICES

The initial office of the Association shall be at 2000 South College Avenue, Suite 308, Fort Collins, Colorado 80525. The Association may have such other offices within the State of Colorado as the Board of Directors may designate or as the business of the Association may, from time to time, require.

ARTICLE IV - MEMBERSHIP AND MEETINGS

1. Membership. Every Owner shall be a member of the Association.

2. Voting Rights. Members shall have the right to vote on matters before the Association in accordance with the terms and provisions of the Declaration.

3. Annual Meetings. The annual meeting of the members shall be held on the _____ day of _____ of each year for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall not be a usual business day for the Association, such meeting shall be held on the next succeeding business day. In the event that such annual meeting is omitted by oversight or otherwise on the date herein set forth, the Directors shall call a meeting in lieu thereof to be held as soon thereafter as conveniently may be; and any business transactions or elections held at such meeting shall be as valid as if transacted or held at the annual meeting. Such subsequent meeting shall be called in the same manner as provided for the annual meeting.

4. Special Meetings. Special meetings of the members may be called at any time by resolution of the Board of Directors or by the President of the Association and shall be called by the President upon written request of the members entitled to cast ten percent (10%) of all votes entitled to be cast at such meeting, provided such written request shall also state the purpose of the meeting to be called and the business to be transacted at such meeting.

5. Place of Meeting. The President of the Association shall designate the place of any annual meeting or special meeting.

6. Notice of Meetings and Waiver of Notice. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Directors or by the President at the request of the members as provided in paragraph 4 above, to all members entitled to vote at the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Association with postage thereon prepaid. The attendance of a member at a meeting shall constitute a waiver of notice of such a meeting unless the member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Any meeting, of which all members shall at any time waive or have waived notice in writing, shall be a legal meeting for the transaction of business notwithstanding that notice has not been given as hereinabove provided. The certificate of the Secretary that Notice was properly given as provided in these By-Laws shall be prima facie evidence thereof.

7. Quorum. Except as otherwise provided in these By-Laws, as provided in the Declaration, or as provided by law, at any meeting of the members, the presence in person or represented by proxy of Owners entitled to cast ten percent (10%) of all votes entitled to be cast on the matter to be voted upon shall constitute a quorum. An affirmative vote of a majority of the total number of votes entitled to be cast by the members present in person or represented by proxy at a meeting at which a quorum of members is present shall be necessary to pass or adopt any motion or resolution presented to the members unless a greater portion is required by law, by the Articles of Incorporation, by the Declaration, or by these By-Laws.

8. Adjourned Meetings. If any meeting of Owners cannot be convened because a quorum has not attended or if the business of

the meeting cannot be concluded, the Owners who are present, either in person or represented by proxy, may adjourn the meeting for periods of no longer than one (1) week from time to time, until a quorum is obtained or until a conclusion can be reached.

9. Proxies. Members may be represented at any meeting by written proxy which shall be filed by its holder with the Secretary of the Association before being voted.

10. Action by Consent. Any action which may be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote on such action.

ARTICLE V - BOARD OF DIRECTORS

1. General Powers. The business and affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall have the powers and duties necessary for the administration of the Association and for the administration and enforcement of the covenants and restrictions contained in the Declaration. The Directors shall in all cases act as a Board; and they may adopt such rules and regulations for the conduct of their meetings and the management of the Association as they may deem proper, not inconsistent with these By-Laws, the Articles of Incorporation, the Declaration or the laws of the State of Colorado.

2. Specific Powers. The Board of Directors shall have the following specific powers:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions of the Declaration.

(b) To establish and levy the assessments to be paid by each of the Owners as provided in the Declaration.

(c) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from any Owner violating the Declaration.

(d) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(e) To employ for the Association a managing agent (at a compensation established by the Board of Directors), to perform such duties and services as it shall authorize. The Board of Directors may delegate any of the duties granted to it but,

notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration.

(f) To enter into contracts for services or purchase of assets, for the benefit of the Association and do any and all acts that a natural person can do for the benefit of the Association.

(g) To suspend the voting rights of a member for failure to comply with these By-Laws or the rules and regulations of the Association or any other obligation of the Owners imposed by the Declaration.

(h) In general, to carry on the administration of the Association, to do all of those things necessary and reasonable in order to carry out the governing and operation of the Association, and to exercise for the Association all powers and authorities vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration, or the laws of the State of Colorado.

3. Number and Qualification. The Board of Directors shall consist of not less than three (3) persons nor more than five (5) persons. Initially, the Board of Directors as set forth in the Articles of Incorporation, shall consist of three (3) persons who shall hold office until the first annual meeting of the members or until their successors have been duly elected.

4. Term of Office. Except as provided in the Articles of Incorporation with respect to the term of office of the initial Board of Directors, the term of office of each Director shall be three (3) years.

5. Election. Each Director shall be elected by a majority vote of the members present in person or represented by proxy at a meeting at which a quorum of members is present. Cumulative voting is not permitted.

6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members shall be filled by vote of a majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall remain in office until the next annual meeting of the members at which time an election shall be held to fill the vacancy and unexpired term.

7. Removal of Directors. At any regular or special meeting of the members duly called, any one (1) or more of the Directors may be removed, with or without cause, by a vote of a majority of the votes entitled to be cast by all the members; and

a successor may then and there be elected to fill the vacancy and unexpired term thus created. Any Director whose removal has been proposed by the membership shall be given an opportunity to be heard at such meeting.

8. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors are elected; and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting.

9. Regular Meetings. Regular meetings of the Board of Directors may be called by the President or a majority of the Directors and may be held at such time and place as shall be determined, from time to time, by a majority of the Directors; but at least one (1) such meeting shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least three (3) days prior to such meeting, which notice shall state the time and place of said meeting.

10. Special Meetings. Special meetings of the Board may be called by the President on one (1) day's notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President in like manner and on like notice on the written request of a majority of the Directors.

11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting; and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof unless the Director attends a meeting for the express purpose of objecting to the transaction of any business at the meeting because the meeting was not lawfully called or convened.

12. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors 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 shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At such adjourned meeting subsequently held, any business which might

have been transacted at the meeting as originally called may be transacted without further notice.

13. Action by Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors entitled to vote with respect to the action to be taken.

14. Committees. The Board of Directors by resolution adopted by a majority of the Directors in office may designate and appoint one or more committees each of which shall consist of two or more Directors, which committees, to the extent provided in the resolution, shall have all the authority of the Board of Directors except as may be limited by the Articles of Incorporation, by these By-Laws, or by law. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon such Director by the Articles of Incorporation, by these By-Laws, or by law.

ARTICLE VI - OFFICERS

1. Designation. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors and such assistant officers as the Board of Directors shall, from time to time, elect.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. No officer may serve for a term in excess of three (3) consecutive years. One (1) person may hold concurrently any two (2) offices; provided, however, that the offices of President and Secretary shall not be held by the same person. The office of Vice President need not be filled.

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

4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by a majority vote of the members of the Board of Directors.

5. President. The President shall be the principal executive officer of the Association, and, subject to the control of the Directors, shall, in general, supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Board of Directors and members, and shall present, at each annual meeting of the members, a report of the conditions of the business of the Association. The President shall cause to be called regular and special meetings of the members and Directors in accordance with these By-Laws. The President shall appoint and remove, employ and discharge, and fix the compensation of all employees of the Association. The President shall sign and make all contracts and agreements in the name of the Association, shall sign checks, notes, drafts, warrants or other orders for the payment of money duly drawn by the Treasurer, and any deeds, mortgages, bonds, or other instruments which are required to be executed, except in cases where the signing and execution thereon shall be expressly delegated by the Directors to some other officer or agent of the Association, or shall be required by law or by the Declaration to be otherwise signed or executed. The President shall enforce these By-Laws and perform all of the duties incident to the position and office and which are required by law.

6. Vice President. The Vice President shall have the powers and authority and shall 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.

7. Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the members; 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 up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during business hours.

8. 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. The Treasurer shall be responsible for the deposit of all monies and other valuables in the name, and to the credit, of the Association in such accounts and depositories as may, from time to time, be designated by the Board of Directors. Withdrawals shall be made from such accounts

by checks signed by the President and Treasurer or such other person as the Board of Directors may designate. The Treasurer shall, in general, perform all of the duties incident to the office of Treasurer.

ARTICLE VII - INDEMNIFICATION OF OFFICERS, DIRECTORS, AND AGENTS

The Association shall indemnify every Director, officer, agent, or employee and any former Director, officer, agent, or employee, their heirs and personal representatives, against loss, costs and expenses, including attorney's 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 a Director, officer, agent, or employee of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit, or proceeding 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 insurance coverage and any other insurance protecting the Association from liability because of the negligent acts of its servants.

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

No (officer, Director, agent or) employee of any independent contractor shall be protected by this indemnification provision, nor by any insurance policies obtained by the Association in relation thereto, but any such protection shall be the sole and separate responsibility of any independent contractor as one of the 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 VIII - BILLS, NOTES, CHECKS, AND OTHER NEGOTIABLE INSTRUMENTS

All bills payable, notes, checks, or other negotiable instruments of the Association shall be made in the name of the Association. Checks shall be signed by the President and the Treasurer of the Association and notes or other negotiable instruments of the Association shall be signed by the President and counter-signed by the Secretary. No officer or agent of the Association, either singly or jointly with others, shall have the power to make any bill payable, note, check, draft, warrant, or other negotiable instrument, or endorse the same in the name of the Association, or contract or cause to be contracted any debt

or liability in the name of or in behalf of the Association, except as authorized by the Association.

ARTICLE IX - AMENDMENT

These By-Laws may be amended by vote of a majority of the votes entitled to be cast by the members.

ARTICLE X - EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS, AND REQUIRED PROXIES

1. Proof of Ownership. Any person or other entity, upon becoming an Owner, shall furnish to the Board of Directors a photocopy of the document vesting that person with an ownership interest, which copy shall remain in the files of the Association.

Typically A Copy of Warranty Deed

2. Registration of Mailing Address. Each Owner shall have one (1) registered mailing address to be used by the Association for mailing of statements of assessment, 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 shall be furnished by such Owner to the Secretary within five (5) days after an ownership interest is acquired or after a change of address; and such registration shall be in written form and signed by all Owners or such Owner as is designated by the other Owners to represent the interests of the Owners thereof. If the Owner is a corporation, partnership, or other entity, such registration shall specify the individual authorized to act on behalf of such entity in all Association matters.

ARTICLE XI - MISCELLANEOUS

1. Nonprofit. This Association is a nonprofit corporation, organized under Colorado Law. No member, member of the Board of Directors, or officer shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof; and in no event shall 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, officer, or member of the Association; provided, however, (1) that reasonable compensation may be paid to any member, Director, or officer while acting as an agent or employee of the Association for services rendered in effecting the purposes of the Association; and (2) that any member, Director, or officer may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

2. Inspection of Records. Any Owner may inspect the records of receipts and expenditures of the Association at convenient weekday business hours, and upon ten (10) days' notice to the Board of Directors and payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.