

BY-LAWS
OF
MONROE PLACE TOWNHOMES ASSOCIATION

ARTICLE I

OBJECT AND DEFINITIONS

Section 1.1 Association. Monroe Place Townhomes Association (the "Association") is a nonprofit corporation organized under the Colorado Nonprofit Corporation Act.

Section 1.2 Purpose. The purpose for which this Association is formed is to govern and administer the common elements and common affairs of the owners of Monroe Place Townhomes located in the City and County of Denver, State of Colorado, (hereinafter referred to as the "Townhome Project"), which property is subject to the Declaration of Covenants, Conditions and Restrictions of Monroe Place Townhomes (hereinafter referred to as the "Declaration"). Terms which are defined in the Declaration shall have the same meaning herein, unless otherwise defined herein.

Section 1.3 Assent. All present or future owners, tenants, or any person using the facilities of the Townhome 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 (hereinafter referred to as "Lots") of the Townhome Project or the mere act of occupancy of the Lots shall constitute ratification of these By-Laws.

Section 1.4 Definitions. Unless otherwise specified, the following terms shall have the same meaning in these By-Laws as such terms have in the Declaration: Lots, Common Elements and Properties. The terms Owners and Members as used herein shall be synonymous.

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. Any person becoming an Owner of a Lot automatically shall become a member in 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 such ownership and membership in this Association, nor shall such termination impair any right 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. There shall be one class of membership.

Section 2.3 Voting Rights. The voting rights of all members shall be based upon one vote per Lot.

If any Lot is held jointly or in common by more than one person, the vote or votes to which such Lot is entitled shall also be held jointly or in common in the same manner. However, the vote or votes for such Lot shall be cast, if at all, as a unified vote, and neither fractional votes nor split votes shall be allowed. In the event that such joint or common Owners are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose their right to cast their vote or votes on the matter in question. Any joint or common Owner shall be entitled to cast the vote or votes belonging to the Lot owned unless another joint or common Owner shall have delivered to the Secretary of the Association prior to the election a written statement to the effect that the Owner wishing to cast the vote or votes has not been authorized to do so by the other joint or common Owner or Owners.

Section 2.4 Majority of Lot Owners. As used in these By-Laws, the term "majority of Lot Owners" shall mean and refer to more than fifty percent (50%) of Lot Owners.

Section 2.5 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of more than twenty-five percent (25%) of Owners shall constitute a quorum. An affirmative vote of a majority of the votes entitled to be cast at a meeting, determined by the presence of the voters or by proxy, shall be required to transact 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.

ARTICLE III

ADMINISTRATION, 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 annual meetings of the Association shall be held on the date selected by the Board of Directors. At each annual meeting there may be elected by ballot of the Owners, managers in accordance with the requirements of Section 4.4 of these By-Laws. 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 the 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 Owners. No business shall be transacted at a special meeting except as stated in the notice unless by consent of two-thirds (2/3) of the Owners 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 of the Lots 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 for 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 Owners of Lots 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 Owners of Lots shall be as stated in the notice of special meeting pursuant to Section 3.4 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) persons from among the Lot Owners; provided, until the earlier of one hundred twenty (120) days after the sale of seventy five percent (75%) of the Lots to lot buyers or December 31, 1995, the Board shall consist of three (3) persons who need not be elected or chosen from among the Lot Owners. The initial Board members as named in the Articles of Incorporation shall act in such capacity and shall manage the affairs of the Association until their successors are elected. The number of managers making up the Board shall not be changed until the earlier of the hundred twenty (120) days after the date by which seventy five percent (75%) of the Lots have been conveyed to unit buyers or December 31, 1995, without 90% approval of the membership votes.

Section 4.2 Powers and Duties. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association for the operation and maintenance of the Townhome Project. This includes all duties, powers, responsibilities, rights, and obligations conferred upon the Association in the Declaration, these By-Laws, the Articles of Incorporation and the Rules and Regulations, unless specifically provided for to the contrary.

Section 4.3 Other Powers and Duties. The Board of Directors shall have the following powers and 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 Townhome 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 Townhome Project or the limitation and control

thereof. Such rules and regulations may also include, without limitation, provisions regarding the leasing of Lots, including without limitation, the form of lease documents used 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 Elements deemed necessary by the Board of Directors, and all items of common personal property, if any.

D. To insure and keep insured all of the insurable improvements on the Properties in an amount equal to their maximum replacement value. 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 Properties in amounts not less than \$1,000,000 per occurrence. To insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the Owners of the Lots and their first mortgages.

E. To fix, determine, levy, and collect the annual, special, or other assessments to be paid by each of the Owners towards the gross of the Townhome Project 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 periodic collections 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, 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 or the Manager 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 other reserve or capital sinking fund, as well as other costs and expenses relating to the Common Elements and for the purposes and powers of this Association. Declarant shall be obligated as any other Owner in reference to Lots then owned by Declarant to pay the estimated

common expense assessments imposed by the Board of Directors to meet the common expenses as more fully set forth in the Declaration.

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. Any such indebtedness shall be the several obligation of all of the Lot Owners in the same proportions as their interest in the Properties.

I. To enter into contracts within the scope of their duties and powers.

J. 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.

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 Lot 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 those items for which they are responsible as provided in the Declaration.

O. On ten (10) days' notice and for receipt of a reasonable fee of at least \$25 from the requesting party, 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 connection therewith.

Section 4.4 Management Agent. The Board of Directors may employ for the Association a Management Agent subject to any

limitations found in the Declaration, at a compensation established by the Board to perform such duties and services as the Board shall authorize, including but not limited to, the duties listed in Section 4.3 hereof. The employment designation of a Management Agent shall not relieve the Board of Directors from its responsibility herein pursuant to the Declaration.

Section 4.5 Election and Term of Office. Directors of the Board of Directors shall be elected by the members at the regular annual meetings of the members of the Association. The Directors shall be classified with respect to the time for which they shall severally hold office, by dividing them into three classes, "A", "B", and "C".

A. Of the Directors designated in the Articles of Incorporation to act as the initial Board of Directors, Class A shall consist of one (1) Director who shall hold office for one year, or until the annual meeting of the members of the Association in 1995.

B. Class B shall consist of (1) Director who shall hold office for two (2) years or until the annual meeting of the members of the Association in 1996.

C. Class C shall consist of one (1) Director who shall hold office for three (3) years or until the annual meeting of the members of the Association in 1997.

D. At each annual meeting commencing in the year 1998, the successor to the class of Directors whose term shall expire in that year shall be elected to hold office for the term of three (3) years, so that the term of office of one class of directors shall expire in each year.

Section 4.6 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 the remaining members or member of the class for which there is a vacancy. If there is no remaining member of a class, the other directors shall appoint a director to fill the vacancy, except that prior to the first annual meeting, the Declarant under the Declaration shall have the sole right to fill vacancies regarding Class A Directors.

Section 4.7 Removal of Directors. Prior to the annual meeting resulting in the elimination of Class A Directors, Class A Directors may be removed only by approval of Owners of 90% of the Lots at a regular or special meeting called for that purpose. Thereafter, at any regular meeting or any special meeting called for that purpose, any one or more of the Directors may be removed with or without cause, by a majority of all of the Lot Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been so proposed by the

Owners shall be given opportunity to be heard at the meeting.

Section 4.8 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 4.9 Regular Meeting. 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 managers, 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 4.10 Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director, given personally, or by mail, telephone or telegram, which notice shall state the time, place (as hereinabove provided), and purpose for the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on notice on the written request of a Director.

Section 4.11 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 4.12 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 managers 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 is less than a quorum present, the majority of those present may adjourn the meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.13 Fidelity Bonds. The Board of Directors may require that all officers, directors, managers, trustees or volunteers, and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association as a common expense.

ARTICLE V

OFFICERS

Section 5.1 Designation. The officers of the Association shall be as a President, 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 from among the Owners and the members of 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 of President and Secretary. The office of Vice President need not be filled.

Section 5.3 Removal of Officers. Upon an affirmative vote of a 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 non-profit corporation, including but not limited to, the powers to appoint committees from among the Owners from time to time 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 of his or her 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 up-to-date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall appropriate designation of the Lot 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 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 for 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 are absent.

Section 5.8 Assistant Secretary. The Board of Directors may appoint one or more Assistant Secretaries to perform all of 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 member of the Board of Directors or officer of the Association, and his or her heirs, executors, and administrators against all loss, costs and expense, including counsel fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a member of the Board of Directors or officer of the Association, except as to matters as to which he or she shall be finally adjudged to such action suit, or proceeding to be liable for gross negligence or willful misconduct. The indemnification provision of this paragraph shall also apply to Declarant during any time that Declarant may be acting on behalf of the Association. 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 or entity to be indemnified has not been guilty or gross negligence or willful misconduct in the performance of his, her or its duty as such Board Members or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Board Member or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses. Nothing contained in this Section 6.1 shall, however, be deemed to obligate the Association to indemnify any member or Owner of a Lot who is or has been a Board Member, Director, officer or agent of the Association with respect to any duties or obligations assumed or liabilities incurred as a member or Owner of a Lot under and by virtue of the herein referenced Declaration.

ARTICLE VII

OBLIGATIONS OF THE OWNERS

Section 7.1 Assessments. Except as otherwise provided hereinabove and in the referenced Declaration, all Owners 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 no later than on the fifth day following the due date. The assessments shall be made pro-rata according to percentage interest in and to the Properties and any installments thereof shall be due monthly in advance without notice. 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 if the Owner shall have fully paid all assessments and installments thereof made or levied against such Owner.

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.

B. Except as may be provided in the Declaration, all the repairs of internal installments of the Lot such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, electrical fixtures, and all other accessories, equipment and fixtures including any air conditioning equipment belonging to the Lot shall be at the Owner's expense.

C. An Owner shall be obligated to reimburse the Association or another Lot Owner upon receipt of a statement for any expenditures incurred by the Association or other Lot Owner or both in repairing, replacing, or restoring any Common Elements or the interior of any part of a Lot damaged as a result of 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 for labor, materials, services, or other products incorporated in the Owner's Lot. 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 (a) file with the court a corporate surety bond pursuant to Section 38-22-131, Colorado Revised Statutes (1973 as amended), or (b) deposit with the Association cash or negotiable securities equal to the amount of such claim plus interest for one year together with the sum of \$250. 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 an 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 XII of the Declarations.

Section 7.4 Rules and Regulations. The Board of Directors shall have the power to establish, make, and enforce compliance with such rules and regulations as may be necessary for the operation, use, and occupancy of this Townhome Project, with the right to amend same from time to time.

Section 7.5 Use of 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 7.6 Right of Entry.

A. An Owner shall permit the Managing Agent or other person authorized by the Board of Directors the right of access to that Owner's Lot from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the Common Elements, or at any time deemed necessary by the Managing Agent or Board of Directors for the making of emergency repairs or to prevent damage to the Townhome Project.

B. An Owner shall permit other Owners, or other representatives, when so required, to enter such Owner's Lot for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided 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 7.7 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 building, the Common Elements, and to deal with the Owner's Lot upon its destruction or obsolescence and regarding insurance proceeds as is 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 seventy five percent (75%) of the Owners. The notice of such Board of Owners 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 Manager. No amendment shall be effective if it results in violation of Chapter 38-33-106, Colorado Revised Statutes (1973 as amended).

ARTICLE IX

MORTGAGES

Section 9.1 Notice to Association. An Owner who mortgages his, her, its or their Lot shall notify the Association through the Managing Agent, 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.

ARTICLE X

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS, AND REQUIRED PROXIES

Section 10.1 Proof of Ownership. Any person on becoming an Owner of a Lot shall furnish to the Managing Agent or Board of Directors a 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 at a special meeting of Members unless this requirement is first met.

Section 10.2 Registration of Mailing Address. The Owner(s) of each Lot shall have one and the same registered mailing address to be used 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 interests of the Owners thereof. If no such address is registered or if all of the Owners cannot agree, then the address of the Lot shall be their registered address until another registered address is furnished as permitted under this Section. Registered addresses may be changed from time to time by similar designation.

Section 10.3 Complete 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

COMPLIANCE

Section 11.1 Colorado Common Interest Ownership Act. These By-Laws are intended to comply with the requirements of the Colorado Common Interest Ownership Act. If any of these By-Laws conflict with the provisions of said statute, the provisions of the statute will apply.

ARTICLE XII

SERVICES

Section 12.1 Services. The Association shall initially provide the following services to be paid for from regular common assessments, which may be amended or supplemented from time to time by amendment of these By-Laws or by resolution of the Board:

- A. Landscape lighting (except backyard areas between townhome structure and garage);
- B. Trash removal;
- C. Water;
- D. Grounds and building maintenance;
- E. Sewer service;
- F. Blanket insurance policy;
- G. Snow removal;
- H. Upkeep of related facilities;
- I. Such other services as may be provided for in the Declaration.

ARTICLE XIII

RESTRICTIONS

Section 13.1 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 manager 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 manager 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 XIV

SEAL

Section 14.1 Seal. The corporate seal shall consist of concentric circles with the name of the Corporation and the word "Colorado" between and the word "Seal" in the center.

ARTICLE XV

FISCAL YEAR

Section 15.1 Fiscal Year. The fiscal year of the Association shall be as determined from time to time by the Board of Directors.

ARTICLE XVI

GENERAL RESERVATIONS

Section 16.1 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to it until the earlier of one hundred twenty (120) days after the date by which seventy-five percent (75%) of the Lots have been conveyed to the Lot buyers or December 31, 1995, whichever event first occurs, and hereby grants to the Association the right to establish from time to time by dedication or otherwise, utility and other easements, for purposes including but not limited to street, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions,

and exclusions consistent with the Ownership of the Townhome Project for the best interest of all the Owners and the Association in order to serve all the Owners within the Townhome Project.

IN WITNESS WHEREOF, the undersigned have executed these By-Laws at Denver, Colorado, this 15 day of _____, 19__.

BOARD OF DIRECTORS

Alvey Brama
Carol O'Connell

The undersigned Secretary of MONROE PLACE TOWNHOMES ASSOCIATION, 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 ____ day of _____, 19__, and that they do now constitute the By-Laws of said Corporation.

Dated this ____ day of _____, 19__.

[Signature]