

997924

BY-LAWS
OF
THE WOODRIDGE CONDOMINIUM ASSOCIATION, INC.

ARTICLE I
MEMBERS - (UNIT OWNERS)

SECTION 1. Eligibility. The Members of THE WOODRIDGE CONDOMINIUM ASSOCIATION, INC., a Louisiana non-profit corporation, shall consist of the respective Unit Owners of the Property known as located at 2509 Giuffrias Street and 2500 Manson Avenue, Metairie, Louisiana 70001 in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the Unit Owners (these and other terms are used in these By-Laws as they are defined in the Declaration Creating and Establishing Condominium Property Regime, which Declaration is registered in the Conveyance records of the Parish of Jefferson, State of Louisiana. The word "Member": or "Members" as are used in these By-Laws means and shall refer to "Unit Owner" or "Unit Owners" as the case may be, as defined in the Declaration). If a Unit Owner is a corporation or partnership, the member may be an officer, partner or employee of such Unit Owner.

SECTION 2. Succession. The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interests.

SECTION 3. Regular Meetings. The first regular annual meeting of the Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date at the option of the Board provided however, that said First Meeting shall be held not less than thirty (30) days and not more than one hundred and twenty (120) days after the earlier to occur of January 1, 1982, or the date on which the Declarant has sold and delivered its deed for at least 51% of the Units. For purposes of this provision, 51% of the Units shall mean Units which correspond in the aggregate to 51% of the undivided ownership of the Common Elements as set forth in Exhibit E of the Declaration. Subsequent to the First Meeting, there shall be a regular annual meeting of the Unit Owners held each year on a date which is within thirty (30) days of the anniversary of the First Meeting. All such Meetings of the Unit Owners shall begin at 7:30 p.m. and shall be held at such place in Jefferson Parish, Louisiana and on such date as may be specified in a written notice of the meeting which shall be given to all Unit Owners at least ten (10) days prior to the date of such meeting.

997924

SECTION 4 Special Meetings. Special meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board or by Unit Owners having at least two-fifths (2/5) of the votes entitled to vote at such meetings. Said special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of said meetings, stating the date, time and place of said special meeting and the matters to be considered.

SECTION 5. Delivery of Notice of Meetings. Notices of any meetings may be delivered either personally or by mail to a Unit Owner at the address given to the Board by said Unit Owner for such purpose, or to the Unit Owner's Unit, if no address for such purpose has been given to the Board.

SECTION 6. Voting. The aggregate number of votes for all Unit Owners shall be one hundred (100) and shall be divided among the respective Unit Owners, in accordance with their respective percentages of ownership interest in the Common Elements. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. The Declarant may exercise the voting rights with respect to Units owned by it.

SECTION 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

SECTION 8. Proxies. A Unit Owner may vote by proxy at any meeting of Unit Owners, provided such proxy is in writing and signed by the Unit Owner or his duly authorized attorney-in-fact. All such proxies shall be filed with the Secretary and shall be retained in the records of the Association.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to herein as the "Board") shall consist of three (3) members (hereinafter referred to as "Directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that the directors listed in the Articles of Incorporation of the Association (hereinafter called "members of the First Board") shall be appointed by the Declarant. Those candidates for election as director receiving the greatest percentage of votes cast either in person or by proxy at the meeting shall be elected. Subject to the provisions of the

997924

last three sentences of this paragraph, the members of the First Board shall serve until the First meeting. At such meeting a new Board consisting of three (3) directors shall be elected by the Unit Owners; one (1) member of such Board shall hold office for a term of one year and until his successor shall be elected and qualified, and one other member of such board shall hold office for a term of two years and until his successor shall be elected and qualified, and one (1) other member of such board shall hold office for a term of three years and until his successor shall be elected and qualified. Thereafter every director shall hold office for the term of three years and until his successor shall be elected and qualified. Upon the sale by the Declarant of Units which correspond in the aggregate to 51% of the undivided ownership of the Common Elements as set forth in Exhibit E of the Declaration, Unit Owners other than Declarant shall be entitled to elect one director at a regular or special meeting of the members and simultaneously with the election of such Director one (1) member of the First Board to be selected by Declarant shall resign. Upon the sale by the Declarant of Units which correspond in the aggregate to 75% of the undivided ownership of the Common Elements as set forth in Exhibit E of the Declaration, Unit Owners other than Declarant shall be entitled to elect one (1) additional director at a regular or special meeting of the members, and simultaneously with the election of such director one (1) additional member of the First Board selected by Declarant shall resign. In no event shall Declarant's (the First Board's) control extend beyond December 31, 1983.

SECTION 2. Qualification. Except for members of the First Board, each director shall be a Unit Owner or the spouse of a Unit Owner (or if a Unit Owner is a trustee of a trust, a director may be a beneficiary of such trust, and if a Unit Owner or beneficiary is a corporation or partnership, a director may be an officer, partner or employee of such Unit Owner or beneficiary). If a director shall cease to meet such qualifications during his term he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

SECTION 3. Vacancies. Any vacancy occurring in the Board shall be filled by a majority vote of the remaining members thereof, except that a vacant position on the board which was last filled by a member of the First Board may be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director whom he succeeds.

SECTION 4. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, delivered personally or by mail or telegram. Any director may waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall be considered his waiver of notice of said meeting.

997924

SECTION 5. Removal. Any director may be removed from office for cause by the vote of two-thirds (2/3) of the total undivided ownership of the Common Elements. Failure to attend three consecutive meetings of the Board shall be deemed to be cause for removal.

SECTION 6. Compensation. Directors shall receive no compensation for their services as directors unless expressly provided for in resolutions duly adopted by a majority of the Unit Owners.

SECTION 7. Quorum. Two (2) directors shall constitute a quorum.

SECTION 8. Powers and Duties. The Board shall have the following powers and duties:

(a) to elect and remove the officers of the Association as hereinafter provided.

(b) to administer the affairs of the Association and the Property.

(c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent"), to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Unit Owners upon such terms and for such compensation and with such authority as the Board may approve; provided however that the First Board appointed as provided herein shall have authority to ratify and approve a management agreement between the Association and a Management Corporation which may be a corporation related to the Declarant, to act as Managing Agent for the Property subject, however, to the requirements of the Condominium Declaration.

(d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) to impose the charges for late payment of assessments and levy such fines for violation of the declaration, by-laws and rules and regulations of the association as shall be established pursuant to Article IV, Section 8 hereof.

(g) to provide for the maintenance, repair, and replacement of the Common Elements and payment therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;

997924

(h) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the service of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);

(i) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(j) To determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(k) to enter into any lease or purchase agreement for the lease or purchase of premises suitable for use as custodian apartments, upon such terms as the Board may approve;

(l) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as said majority is defined in the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;

(m) To enter into such contracts and agreements relating to the providing of maintenance, management and operational services outside the Property and for the providing of heated and pumped domestic water to improve on the Property as the Board may deem advisable;

(n) to enter into such leases of portions of the Common Elements as the Board may deem advisable; and

(o) to exercise all other powers and duties of the Association of Unit Owners, and all powers and duties of the Board of Directors referred to in the Declaration.

SECTION 9. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which have been reserved or retained by the Declarant, or which, by law, have been delegated to the Unit Owners.

ARTICLE III

OFFICERS

SECTION 1. Designation. At each regular annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

997924

(a) a President who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary who shall keep the minutes of all meetings of the Board and of the Unit Owners and who shall in general perform all the duties incident to the office of Secretary and who may be a representative of the Managing Agent;

(c) a Treasurer who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and

(d) such additional officers as the Board shall see fit to elect.

SECTION 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

SECTION 3. Term of Office. Each officer shall hold office for the term, of one year and until his successor shall have been appointed or elected and qualified.

SECTION 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of the Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

SECTION 5. Compensation. The officers shall receive no compensation for their services as officers unless expressly provided for in a resolution duly adopted by a majority of the Unit Owners.

ARTICLE IV

ASSESSMENTS

SECTION 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget for the year including but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs

997924

replacements, landscaping, insurance, fuel, power, and all other common elements. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board. The annual budget shall not require an assessment of Unit Owners for common expenses in an amount exceeding one hundred fifteen percent (115%) of the common expenses for the preceding year unless such budget is approved by a majority vote of Unit Owners.

SECTION 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the Common Expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements as set forth in Exhibit E of the Declaration. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year or shall be delayed in doing so each Unit Owner shall continue to pay each month the amount of his respective monthly assessment at last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements.

SECTION 3. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the First Board. If such first fiscal year or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date that a Unit Owner acquires ownership of his Unit, each Unit Owner shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be computed by the Board.

SECTION 4. Annual Budget. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for each year so

997924

ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

SECTION 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made on each Unit Owner for his proportionate share of each supplemental budget.

SECTION 6. Expenditures. Except for the Management Agreement described in Exhibit II, Section 8(c) hereof and expenditures and contracts specifically authorized by the Declaration and By-Laws, the Board shall not approve any expenditure in excess of Five Thousand Dollars (\$5,000), unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter any contract for more than five (5) years without the prior approval of two-thirds (2/3) of the total ownership of the Common Elements.

SECTION 7. Lien. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses, as provided in the Declaration, and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make such payment of the Common Expenses when due, the amount thereof, together with interest thereon at the rate of ten per cent (10%) per annum from and after said Common Expenses becomes due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property, provided, however, that such lien shall be subordinate to the lien of any prior recorded mortgage held by any existing mortgage of the Property, its successors and assigns, an insurance company, bank, homestead savings and loan or other financial institution or institutional investors on the interest of each such Unit Owner, except for the amount of the proportionate share of Common Expenses which become due and payable from and after the date on which such mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security), or causes a receiver to be appointed. The provisions of this paragraph of this Section 7 shall not be amended, modified or rescinded in any way without the prior written consent of all such holders of a recorded mortgage encumbering any one or more Units in the Building.

The Association or its successors and assigns, or the Board or its agents, shall have the right to maintain a suit to foreclose any such lien for unpaid assessment, and there shall be added to the amount due the costs of said suit and other fees and

997924

expenses, together with interest and reasonable attorneys' fees to be fixed by the court. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Declaration or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

SECTION 8. Late Charges, Fines and Penalties. In the event that a Unit Owner shall fail or refuse to make payment of his proportionate share of the common expenses when due, such Unit Owner shall pay a penalty of \$10.00 as a late charge; and the Association shall not be obligated to receive such Unit Owner's payment of his proportionate share of the common expenses without payment of such late charge. The Association may, after notice and a reasonable opportunity to be heard, levy reasonable fines for violation of the Declaration, the By-Laws and the Rules and Regulations of the Association.

SECTION 9. Records and Statements of Account. The Board shall cause to be kept detailed and accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the Common Expenses incurred. Such records and the vouchers authorizing the payments involved shall be available for examination by the Unit Owners at convenient hours during week days. Payment vouchers may be approved in such manner as the Board may determine. The Board shall cause to be maintained a separate account for each Unit which shall indicate the name and address of the Unit Owner, the amount of each assessment for Common Expenses, the date on which the Assessment becomes due, amounts paid on the account and any balance due.

The Board shall, upon receipt of ten (10) days' written notice to it or the Association and upon payment of a reasonable fee, furnish to any Unit Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

The Association shall, upon written request, provide written notification to a first mortgagee of any default on the part of a Unit Owner under the Declaration or the condominium constituent documents which is not cured within sixty (60) days.

SECTION 10. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board, may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Unit Owners are responsible for the existence of any such liens, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien.

997924

SECTION 11. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein and in the Declaration, and (except for such special assessments as may be levied hereunder and under the Declaration against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit E of the Declaration.

ARTICLE V

USE AND OCCUPANCY RESTRICTIONS

SECTION 1 General. Each Unit Owner shall comply with the use and occupancy restrictions set forth in the Declaration. No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. No Unit Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures, or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's direction. The foregoing restrictions as to use and occupancy shall not be construed to prohibit a Unit Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a balcony, patio or terrace constituting Limited Common Elements for such Unit Owner's Unit.

SECTION 2. Security. Unit Owners shall, at all times, comply with such rules and regulations as the Association may promulgate for the security of the Condominium and its occupants. The Association may restrict ingress to the Common Elements through exterior doors to admission by a doorman or other employee of the Association and may regulate or restrict distribution of keys to exterior doors to the Common Elements.

SECTION 3. Animals. Not more than two (2) animals having an aggregate weight of not more than twenty-five (25) pounds (including, but without limitation, dogs and cats) shall be kept within any Unit or on the Property, except for small birds

997924

(which must be kept in cages) and fish; provided, however, no Unit Owner or Occupant shall keep or breed birds or fish for commercial purposes within any Unit or on the Property.

SECTION 4. Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board.

SECTION 5. Use by Declarant. During the period of sale by the Declarant of any Units, the Declarant and its agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Building and the Property as may be required for purposes of said sale of Units. While the Declarant owns any of the Units and until each Unit owned by it is occupied by the purchasers, the Declarant and its employees may use and show one or more of such unsold or unoccupied Units as model Unit or Unit and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

SECTION 6. Storage. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in the corridors, hallways, lobby or other common areas, except in common storage areas and storage lockers specifically designated for the respective Unit Owner from time to time by the Board or by the Managing agent acting in accord with the Board's direction.

SECTION 7. Wiring. No Unit Owner shall overload the electrical wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior written consent of the Board or the prior written consent of the Managing Agent, given in accord with the Board's direction.

ARTICLE VI

CONTRACTUAL POWERS

No contract or other transaction between the Association and one or more of its directors or between this corporation and any corporation, firm or association in which one or more of the directors of this Association are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

997924

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; or

(b) the contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VII

AMENDMENTS

Subject to the requirements of Article XXII of the Declaration hereof requiring the consent of certain lien holders under certain circumstances, these By-Laws may be amended, modified or rescinded, from time to time, by means of an amendment of the Declaration, of which these By-Laws constitute a part. Any such amendment, modification or rescission shall be valid and effective only upon the recording thereof in the Office of the Register of Conveyances for the Parish of Jefferson, State of Louisiana. Any such recorded amendment, modification or rescission shall be maintained in the corporate records of the Association. These By-Laws may not be amended, modified or rescinded so as to conflict with the provisions of the Act.

ARTICLE VIII

INDEMNIFICATION

SECTION 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant by the By-Laws of the Association, and Declarant, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, officers, committee members, or Declarant, on behalf of the Unit Owners, or arising out of their status as directors, officers, committee members or Declarant, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether criminal, administrative or other, in which any such director, officer, committee member, or Declarant may be involved by virtue of such persons being or having been such director, officer, committee member, or Declarant; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person

997924

shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, committee member, or Declarant, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, committee member, or Declarant.

SECTION 2. Success on Merits. To the extent that the Declarant or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

SECTION 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in this Article VIII.

SECTION 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, officers, members of such committee, or Declarant, or out of the aforesaid indemnity in favor of the directors, officers, members of such committees, or Declarant, shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the directors, officers, members of such committees, or Declarant or by the Managing Agent on behalf of the Unit Owners shall provide that the directors, Board, officers, member of such committees, Declarant or the Managing Agent, as the case may be, are acting only as agents for the Unit Owner and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Declarant or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

997924

ARTICLE IX

DEFINITION OF TERMS

The terms in these By-Laws, to the extent they are defined in said Declaration, shall have the same definition as set forth in the Declaration Creating and Establishing Condominium Property Regime for The Woodridge Condominium, as the same may be amended from time to time. The term "member", as used in these By-Laws, means "Unit Owner" as defined in the Declaration.