BYLAWS

OF

LEHALA ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is Lehala Estates Homeowners Association, hereinafter referred to as the ”Association”. The principal office of the corporation shall be located at 3012 Duffield Avenue, Loveland, Colorado but meetings of members and directors may be held at such places within the State of Colorado, County of Larimer, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. “Association” shall mean and refer to Lehala Estates Homeowners Association, its successors and assigns.  
 Section 2. “Properties” shall mean and refer to that certain real property described in the Declaration of Protective Covenants, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.  
 Section 3. “Drainage facilities” shall mean those areas including Outlot A of Block 5 as are shown on the Subdivision Plat on record which are set aside as drainage rights-of-way for the entire subdivision.  
 Section 4. “Roads and streets” shall mean all roads and streets shown on the plat which are dedicated to the County of Larimer for such purposes.  
 Section 5. “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of Outlot A of Block 5.  
 Section 6. “Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of the obligation.  
 Section 7. “Declaration” shall mean and refer to the Declaration of Protective Covenants applicable to the properties recorded in the office of the Larimer County Clerk and Recorder, State of Colorado.  
 Section 8. “Member” shall mean and refer to those persons who own lots within the Subdivision.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the last Saturday in September of each year at the hour of 3:00 o’clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.  
 Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote, fifty percent (50%) of all of the votes of the Association.  
 Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member’s address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.  
 Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast ten or more of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.  
 Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of the Association.  
 Section 2. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.  
 Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.  
 Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.  
 Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.  
 Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually following the annual meeting of the members. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.  
 Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.  
 Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of directors shall have power to:  
 (a) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;  
 (b) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and  
 (c) employ an independent contractor, or such other employees as they deem necessary from time to time to perform maintenance requirements set forth in the Declaration.  
 Section 2. Duties. It shall be the duty of the Board of Directors to:  
 (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members.  
 (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;  
 (c) as more fully provided in the Declaration to:  
 (1) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;  
 (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period: and  
 (3) foreclose the lien against any property for which assessments are not paid within sixty (60) days after the due date or to bring an action at law against the owner personally obligated to pay the same.  
 (4) nothing herein shall prevent the Board of Directors from exercising its discretion to waive enforcement of a lien by either foreclosure or suit if it is the decision of the Board of Directors that filing a lien of record is sufficient.  
 (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment:  
 (e) in their discretion if they deem appropriate to procure and maintain liability and hazard insurance on property owned by the Association;  
 (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;  
 (g) cause the roads, streets and drainage facilities to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of directors, and a secretary-treasurer, and such other officers as the Board may from time to time by resolution create.  
 Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.  
 Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.  
 Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.  
 Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.  
 Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.  
 Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of the Article.  
 Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

At any time, following five years after the date of the recording of the Declaration, the Association shall have the power to appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within sixty (60) days after the due date, the assessment shall bear interest from the date of delinquency at the legal rate and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney’s fees of any such action shall be added to the amount of such assessment. No owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the roads, streets or drainage facilities or abandonment of his lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Lehala Estates Homeowners Association.

ARTICLE XIII

AMMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.  
 Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Lehala Estates Homeowners Association, have hereunto set our hands this 12th day of December, 1978.

Leroy P. Gabriel, Director Larry A. Heckel, Director Harry J. Meyers, Director

STATE OF COLORADO  
COUNTY OF LARIMER

I, Eldora N. May, a Notary Public, hereby certify that on the 12th day of December, 1978, personally appeared before me Leroy P. Gabriel, Larry A. Heckel and Harry J. Meyers, who being by me first duly sworn, severally acknowledged and declared that they were the persons who signed the foregoing Bylaws as Directors and that the statements therein contained are true.

WITNESS by hand and official seal.

My Commission Expires:

March 20, 1982 Eldora N. May, Notary Public

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the Lehala Estates Homeowners Association, a Colorado corporation, and, that the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 12th day of December, 1978.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 12th day of December, 1978.  
 Harry Meyers, Secretary