

Subdivision LAKESIDE Sub Dev. PLAN

Date 2-13-76 Item # 10-76

Petitioner T.L. BENSON

Preliminary Review Agencies Comments

Final Review Agencies Comments

Parks & Rec. - see review SHEET.

Fire Dept. -

① connect Lakeside w. Horizon

② Continue 8" line to " w. hydrant.

Public Service - Requires a blanket easement.

School Dist. 51 - see REVIEW SHEET.



Action Taken

Action Taken

P.C. Approved 31 Mar 76

P.C.

C.C. Approved 21 Apr. 76

C.C.

Comments

Comments

No C.O.'s UNTIL improvements completed



ITEMS REQUIRED FROM DEVELOPER

- Check
- Drainage
- Improvements
- Utility Agreement
- Landscaping
- Guarantee
- Title Investigation
- Covenants
- Annexation
- Other (Specify)

CERTIFICATE OF INCORPORATION

OF

LAKE VIEW ESTATES VENTURE HOMEOWNER'S ASSOCIATION,

A Corporation Not For Profit

In compliance with the requirements of C.R.S. 1963, 31-19-1 and the following statutes, the undersigned, all of whom are residents of the State of Colorado, and all of whom are of full age, have this day voluntarily associated themselves together for the purposes of forming a corporation not for profit and do hereby certify:

ARTICLE 1 - NAME

The name of this corporation is LAKE VIEW ESTATES VENTURE HOMEOWNER'S ASSOCIATION.

ARTICLE 2 - PURPOSES AND POWERS

The corporation does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purposes for which it is formed are:

To promote the health, safety and welfare of the residents within the following described tract of land, to-wit:

All of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 2, Township 1 South, Range 1 West of the Ute Meridian, EXCEPT the following:

1. Commencing at the Northeast corner of said NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 2, thence North 89°59' West 528 feet, thence South 330 feet, thence South 89°59' East 528 feet, thence North to the point of beginning.
2. Right of way for the Grand Valley Irrigation Company, recorded in Book 71 at Page 430 of the records of Mesa County.
3. Conveyance to Mesa County recorded in Book 877 at Page 361 of the records of Mesa County.
4. Conveyance to Mesa County recorded in Book 877 at Page 363 of the records of Mesa County.
5. Right of way granted to the Grand Valley Rural Power Lines in Book 399 at Page 326 of the records of Mesa County.

and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by annexation as provided in

Article 6, herein, hereafter referred to as "The Properties" and for this purposes to:

(a) Own, acquire, build, operate and maintain recreation parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, hereinafter referred to as "The Common Properties and Facilities";

(b) Provide exterior maintenance for the common properties described above.

(c) Provide garbage and trash collection.

(d) Provide fire and police protection;

(e) Maintain unkempt lands or trees;

(f) Supplement municipal services;

(g) Fix assessments or charges to be levied against the properties;

(h) Enforce any and all covenants, restrictions, and agreements applicable to the property;

(i) Pay taxes, if any on common properties and facilities;

(j) Insofar as permitted by law, to do any other thing that in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the properties.

ARTICLE 3 - MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot or dwelling unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot or dwelling unit which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each lot or dwelling unit owned. When more than one person holds an interest in any lot or dwelling unit, all such

persons shall be members. The vote for such lot or dwelling unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one lot or dwelling unit.

Class B. The Class B. members shall be the Declarant and shall be entitled to three votes for each lot or dwelling unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

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

(b) on January 1, 1980.

ARTICLE 4 - BOARD OF DIRECTORS: SELECTION
TERMS OF OFFICE

The affairs of the corporation shall be managed by a Board of nine directors who need not be members of the corporation. The initial board of directors shall consist of _____ directors who shall hold office until the election of their successors for the terms stated hereafter. Beginning with the first annual meeting to be held on _____, 19____, the members at each annual meeting, shall elect _____ directors, each for a term of three years.

ARTICLE 5 - ADDITIONS TO PROPERTIES AND MEMBERSHIP

Additions to the properties described in Article 2 may be made only in accordance with the provisions of the recorded Covenants and Restrictions applicable to said properties. Such additions when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties, and membership of this corporation to such properties. Where the applicable covenants require that certain additions be approved by this corporation, such approval must have the assent of two-thirds of the votes of each class of members who

are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE 6 - MERGERS AND CONSOLIDATIONS

Subject to the provisions of the recorded covenants and restrictions applicable to the properties described in Article 2, and to the extent permitted by law, the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE 7 - MORTGAGES: OTHER INDEBTEDNESS

The corporation shall have power to mortgage its properties only to the extent authorized under the recorded Covenants and Restrictions applicable to said properties.

The total debts of the corporation including the principal amount of such mortgages, outstanding at any time, shall not exceed the total of one year's assessments current at that time, provided that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE 8 - QUORUM FOR ANY ACTION GOVERNED BY
ARTICLES 5, 6 AND 7 OF THESE ARTICLES

The quorum required for any action governed by

Articles 5, 6 and 7 of these articles shall be as follows:

At the first meeting duly called as provided therein, the presence of members or of proxies, entitled to cast sixty (60) per cent of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming, at any meeting, another meeting may be called, subject to the notice requirements set forth in said articles, and the required quorum at any subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following such preceding meeting.

ARTICLE 9 - DEDICATION OF PROPERTIES OR TRANSFER OF FUNCTION
TO PUBLIC AGENCY OR UTILITY

The corporation shall have power to dispose of its real properties only as authorized under the recorded covenants, restrictions applicable to said properties. Further, the directors may convey or acquire any real or personal property on behalf of the corporation if such transaction shall be approved and signed by at least three directors.

ARTICLE 10 - DURATION

The corporation shall exist perpetually.

ARTICLE 11 - DISSOLUTION

The corporation may be dissolved only with the assent given in writing and signed by the members entitled to cast two-thirds of each class of its membership. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets, which shall be consonant with Article 12 hereof, shall be mailed to every member at least ninety (90) days in advance of any action taken.

ARTICLE 12 - DISPOSITION OF ASSETS UPON DISSOLUTION

Upon dissolution of the corporation, the assets, both real and personal, of the corporation, shall be dedicated to an appropriate public agency or utility to be devoted to

purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. No such disposition of association property shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to the properties unless made in accordance with the provisions of such covenants and deeds.

ARTICLE 13 - AMENDMENTS

These Articles may be amended in accordance with the law, provided that the voting and quorum requirements specified for any action under any provision of these Articles shall apply also to any amendment of such provision, and provided further that no amendment shall be effective to impair or dilute any rights of members that are governed by the recorded covenants and restrictions applicable to the properties, specifically including membership and voting rights, which are part of the property interests created thereby.

ARTICLE 14 - THE INCORPORATORS

The names and address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
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ARTICLE 15 - INITIAL DIRECTORS

The names and addresses of those persons who are to act as directors until the election of their successors and the terms of office are:

<u>NAME</u>	<u>ADDRESS</u>
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BY-LAWS OF LAKE VIEW ESTATES VENTURE HOMEOWNER'S ASSOCIATION,

A Corporation Not for Profit

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to the Lake View Estates Venture Homeowner's Association, a nonprofit corporation organized and existing under the laws of the State of Colorado.

Section 2. "The Properties" shall mean and refer to the following described tract of land, to-wit:

All of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 2, Township 1 South, Range 1 West of the Ute Meridian, EXCEPT the following:

1. Commencing at the Northeast corner of said NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 2, thence North 89°59' West 528 feet, thence South 330 feet, thence South 89°59' East 528 feet, thence North to the point of beginning.
2. Right of way for the Grand Valley Irrigation Company, recorded in Book 71 at Page 430 of the records of Mesa County.
3. Conveyance to Mesa County recorded in Book 877 at Page 361 of the records of Mesa County.
4. Conveyance to Mesa County recorded in Book 877 at Page 363 of the records of Mesa County.
5. Right of way granted to the Grand Valley Rural Power Lines in Book 399 at Page 326 of the records of Mesa County.

and such additions thereto as may hereafter be brought within the jurisdiction of the association by annexation as provided in Article 6, Section 2 herein.

Section 3. "Common Properties" shall mean and refer to parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, and any other properties owned and maintained by the association for the common benefit and enjoyment of the residents within the properties.

ARTICLE II

LOCATION

The principal office of the association shall be located at

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot or dwelling unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot or dwelling unit which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

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

Class B . The Class B. members shall be the Declarant and shall be entitled to three votes for each lot or dwelling unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

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

(b) on January 1, 1980.

Section 3. It is anticipated that there shall be a total of 299 dwelling units included within the planned unit development which shall initially entitle the declarant or a Blass B member to an original voting power of 897 votes which shall decrease by three votes for each dwelling unit

conveyed in accordance with Article VI, Ownership-Title of the Declaration of Covenants.

Section 4. The Rights of membership are subject to the payment of annual and special and assessments levied by the association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made as provided by Article XI of the Declaration of Covenants and Restrictions to which the properties are subject and recorded at Mesa County, Colorado, and which provides as follows:

Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot or dwelling unit owned within the properties, hereby covenants, and each owner of any lot or dwelling unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties and for the improvement and maintenance of the common area, and of the homes situated upon the properties.

Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot or dwelling unit to an owner, the maximum annual assessment shall be _____ Dollars (\$ _____) per building lot or dwelling unit.

(a) From and after January 1 of the year immediately following the conveyance of the first lot or dwelling unit to an owner the maximum annual assessment may be increased each year not more than _____ above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot or dwelling unit to an owner the maximum annual assessment may be increased above _____ by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The administrative board of the Homeowners Association may fix the annual assessment at an amount not in excess of the maximum.

Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Notice and Quorum for Any Action Authorized Under Sections Above. Written notice of any meeting called for the purpose of taking any action authorized under Sections above shall be sent to all members not less than thirty (30)

day nor more than sixty (60) days in advance of the meeting. At the first such meeting called the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be onehalf (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and dwelling units and may be collected on a monthly basis.

Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all building lots and dwelling units on the 1st day of the month following the conveyance of the common area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot or dwelling unit at least thirty (30) days in advance of each annual assessment. Written notice of the annual assessment shall be sent to every owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge furnish a certificate signed by an officer of the Association setting forth whether the assessments on the specified building site or dwelling unit have been paid.

Effect of Nonpayment of Assessments: Remedies of The Association . Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight per cent (8%) per annum. The Association may bring an action at law against the owner personally obligated

to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot or dwelling unit.

Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot or dwelling unit does not affect the assessment lien. However the sale or transfer of any lot or dwelling unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot or dwelling unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5. The membership rights of any person whose interest in the properties is subject to assessments under Article III, Section 4, whether or not he be personally obligated to pay such assessments, may be suspended by action of the directors during the period when the assessments remain unpaid; but upon payment of such assessments his rights and privileges shall be automatically restored. If the directors have adopted and published rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon, as provided in Article IX, Section 1, they may, in their discretion suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as

provided by deed of dedication and as provided in the Declaration of Covenants applicable to the properties.

Section 2. Any member may delegate his rights of enjoyment in the common properties and facilities to the members of his family who reside upon the properties or to any of his tenants who reside thereon under a leasehold interest or for a term of one year or more. Such member shall notify the secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 5, to the same extent as those of the member.

ARTICLE V

ASSOCIATION PURPOSES AND POWERS

Section 1. The association has been organized for the following purposes:

To promote the health, safety and welfare of the residents within the tract of land as described in Article I, Section 2 above and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by annexation as provided in Article 6, herein, hereafter referred to as "The Properties" and for this purposes to:

- (a) Own, acquire, build, operate and maintain recreation parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, hereinafter referred to as "The Common Properties and Facilities";
- (b) Provide exterior maintenance for the common properties described above.
- (c) Provide garbage and trash collection.
- (d) Provide fire and police protection;
- (e) Maintain unkempt lands or trees;
- (f) Supplement municipal services;
- (g) Fix assessments or charges to be levied against the properties;

(h) Enforce any and all covenants, restrictions, and agreements applicable to the property;

(i) Pay taxes, if any on common properties and facilities;

(j) Insofar as permitted by law, to do any other thing that in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the properties.

Section 2. Additions to the properties described in Section 1 above may be made only in accordance with the provisions of the recorded Covenants and Restrictions applicable to said properties. Such additions when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties, and membership of this corporation to such properties. Where the applicable covenants require that certain additions be approved by this corporation, such approval must have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 3. Subject to the provisions of the recorded covenants and restrictions applicable to the properties described in Article I, Section 2. and to the extent permitted by law, the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 4. The corporation shall have power to mortgage its properties only to the extent authorized under

the recorded Covenants and Restrictions applicable to said properties.

The total debts of the corporation including the principal amount of such mortgages, outstanding at any time, shall not exceed the total of one year's assessments current at that time, provided that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. The quorum required for any action governed by Section 2, 3 and 4 above shall be as follows:

At the first meeting duly called as provided therein, the presence of members or of proxies, entitled to cast sixty (60) per cent of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming, at any meeting, another meeting may be called, subject to the notice requirements set forth in said articles, and the required quorum at any subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following such preceding meeting.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. The affairs of the corporation shall be managed by a Board of nine directors who need not be members of the corporation. The initial board of directors shall consist of directors who shall hold office until the election of their successors for the terms stated hereafter. Beginning with the first annual meeting to be held on , 19 , the members at each annual meeting, shall elect directors, each for a term of three years.

Section 2. Vacancies in the Board of Directors shall be filled by the majority of remaining directors, any such appointed director to hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the members or at any special meeting duly called for that purpose.

ARTICLE VII

ELECTION OF DIRECTORS: NOMINATING COMMITTEE ELECTION COMMITTEE

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of recorded covenants applicable to the properties. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a nominating committee which shall be one of the standing committees of the Association.

Section 3. 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 such annual meeting.

Section 4. 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 as the committee in its discretion shall determine, PROVIDED THAT the

committee shall seek suggestions from all corporate mortgage lenders who hold home mortgages within the property and shall so exercise its discretion in the matter of nominations that there shall be, at all times, at least one member of the Board of Directors who represents the interests of such mortgage lenders. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to members.

Section 5. All elections to the Board of Directors shall be made on written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the nominating committee for such vacancies; and (c) contain a space for a write-in vote by the members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for a return which shall be a date not later than the day before the annual meeting or special meeting called for elections.

Section 6. Each member shall receive as many ballots as he has votes. Notwithstanding that a member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the members shall be advised that, because of the verification procedures of Section 7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope or envelopes (if the member or his proxy is exercising more than one vote) shall be placed

in another sealed envelope which shall bear on its face the name and signature of the member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the following address:

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an election committee which shall consist of five members appointed by the Board of Directors. The election committee shall then adopt a procedure which shall: (a) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the member or his proxy identified on the outside envelope containing it; and (b) that the signature of the member or his proxy on the outside envelope is genuine; and (c) if the vote is by proxy that a proxy has been filed with the Secretary as provided in Article XIII, Section 2, and that such proxy is valid. Such procedure shall be taken in such manner that the vote of any member or his proxy shall not be disclosed to anyone, even the election committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the election committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have the power:

(a) To call special meetings of the members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth ($\frac{1}{4}$) of the voting membership, as provided in Article XII, Section 2.

(b) To appoint and remove at pleasure, all officers, agents and employees of the association, prescribe their duties, fix their compensation, and require them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or director of the association in any capacity whatsoever.

(c) To establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 4.

(d) To adopt and publish rules and regulations governing the use of the common properties and facilities and the personal conduct of the members and their guests thereon.

(e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting or to members in the covenants.

(f) In the event that any member of the Board of Directors of this Association shall be absent from three consecutive regular meetings of the Board of Directors, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent director to be vacant.

Section 2. It shall be the duty of the Board of Directors:

(a) To 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 or at any special meeting when such is requested in writing by one-fourth ($\frac{1}{4}$) of the voting membership, as provided in Article XII, Section 2.

(b) To 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 of Covenants applicable to the properties:

(1) To fix the amount of the assessments against each lot or property for each assessment period at least thirty (30) days in advance of such date or period and at the same time;

(2) To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member and, at the same time;

(3) To send written notice of each assessment to every owner subject thereto.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE IX

DIRECTORS' MEETINGS

Section 1. A regular meeting of the Board of Directors shall be held on the first Monday of each month at 9:00 o'clock A.M. provided that the Board of Directors may, by resolution, change the day and hour of holding such regular meeting.

Section 2. Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two directors after not less than three days' notice to each director.

Section 4. the transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a

quorum is present and, if either before or after the meeting each of the directors not present signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with with corporate records and made a part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE X

OFFICERS

Section 1. The officers shall be a President, a Vice-President, a Secretary and a Treasurer. The President and the Vice-President shall be members of the Board of Directors.

Section 2. The officers shall be chosen by a majority vote of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolution of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The Vice-President shall perform all the duties of the President in his absence.

Section 6. The Secretary shall be ex officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for the purpose the names of all members of the Association together with their addresses as registered by such members.

Section 7. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as provided by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice-President.

Section 8. The Treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE XI

COMMITTEES

Section 1. The standing committees of the Association shall be:

- The Nominations Committee
- The Recreation Committee
- The Maintenance Committee
- The Architectural Control Committee
- The Publicity Committee
- The Audit Committee

Unless otherwise provided herein, each committee shall consist of a chairman and two or more members and shall include a member of the Board of Directors for board contact. The committees shall be appointed by the Board of Directors prior to each annual meeting 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 such annual meeting. The Board of Directors may appoint such other committees as it deems desirable and necessary.

Section 2. The nominations committee shall have the duties and functions described in Article VII.

Section 3. The recreation committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The maintenance committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the common properties and facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The architectural control committee shall have the duties and function described in the Declaration of Covenants and Restrictions applicable to the properties. It shall watch for any proposals, programs or activities which may adversely affect the residential value of the properties and shall advise the Board of Directors regarding Association action on such matters.

Section 6. The publicity committee shall inform the members of all activities and functions of the association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 7. The audit committee shall supervise the annual audit of the Association's book and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Article X, Section 8. The Treasurer shall be an ex officio member of the committee.

Section 8. With the exception of the nominations

committee and the architectural control committee (but then only as to those functions that are governed by the Declaration of Covenants and Restrictions applicable to the properties) each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 9. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities; within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, a director or officer of the Association as is further concerned with the matter presented.

ARTICLE XII

MEETINGS OF MEMBERS

Section 1. The regular annual meeting of the members shall be held on the first Monday of the month of February in each year at the hour of 10:00 o'clock A.M. If the day for the annual meeting of the members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the members for any purpose may be called at any time by the President, the Vice-President, the Secretary or Treasurer, or by any two or more members of the Board of Directors or upon written request of the members who have a right to vote one-fourth ($\frac{1}{4}$) of all the votes of the entire membership or who have a right to vote one-fourth ($\frac{1}{4}$) of the votes of the Class A membership.

Section 3. Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each member shall

register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed at least six (6) days in advance of the meeting and shall set forth in general the nature of the business to be transacted. Provided, however, that if the business of any meeting shall involve an election governed by Article VII or any action governed by the Articles of Incorporation or by the Covenants applicable to the properties, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles of Incorporation or by the Covenants applicable to the properties shall require a quorum as therein provided.

ARTICLE XIII

PROXIES

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxies shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in the properties.

ARTICLE XIV

BOOKS AND PAPERS

Section 1. The books, records and papers of the Association shall at all times, during all reasonable business hours, be subject to the inspection of any members.

ARTICLE XV

CORPORATE SEAL

Section 1. The Association shall have a seal in circular form having within its circumference words adequate

to describe the Association.

ARTICLE XVI

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members by a vote of a majority of a quorum of each class of members present in person or by proxy, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable state law; and provided further that any matter stated herein to be or which is in fact governed by the covenants and restrictions applicable to the properties may not be amended except as provided in such covenants and restrictions or by state law.

Section 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Covenants and Restrictions applicable to the properties referred to in Section 1 and these By-Laws, the Covenants and Restrictions shall control.

IN WITNESS WHEREOF, we, being all of the Directors of the Lake View Estates Venture Homeowner's Association have hereunto set our hands this _____ day of _____, 1973.

