

BYLAWS

EASTWOOD HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME

The name of the Corporation is Eastwood Homeowners Association, Inc., hereinafter referred to as the "Association".

ARTICLE II

DEFINITIONS

Section 1: "Association" shall mean and refer to Eastwood Homeowners Association, Inc., its successors and assigns.

Section 2: "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 4: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

Section 5: "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 part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the office of the Mesa County Clerk and Recorder.

Section 7: "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

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 date and at the place and time set by the Board of Directors.

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 1/4th of all the votes of the membership.

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 one/tenth {1/10} of the votes of 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 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.

ARTICLE IV

BOARD OF DIRECTORS--SELECTION--TERM OF OFFICE

Section 1: Number--The affairs of the Association shall be managed by a Board of seven {7} directors.

Section 2: Term of Office--At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years. At the annual meeting in 1997 this number will be reduced to seven and at each subsequent annual meeting two directors will be elected for a term of two years and two directors 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 Board of Directors. 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--Any director may be reimbursed for his actual expenses incurred in the performance of his duties of office, with the approval of the Board.

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 approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATIONS 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, with consent of nominee. 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. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall determine appropriate, but not less than the number of vacancies to be filled.

Section 2: Election--Election to the Board of Directors shall be by written ballot only if there is more than one candidate for each vacancy. At such election the members may cast one vote for each candidate. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1: Regular Meetings--Regular meetings of the Board of Directors may be held monthly or at the call of the President of the Association, at such place and hour as may be fixed from time to time by resolution of the Board.

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 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} adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guest thereon, and to establish penalties for the infraction thereof;
- {b} suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice, for a period not to exceed 60 days for infraction of published rules;
- {c} 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, Articles of Incorporation or the Declaration;

{d} declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without excuse from 3 consecutive regular meetings of the Board of Directors; members shall be excused by notifying either the President or Secretary;

{e} employ a manager, or independent contractor or such other employees as they deem necessary, and to prescribe their duties.

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, or at any special meeting when such statement is requested in writing by 1/4th of the members entitled to vote;

{b} supervise all officers, agents and employees of the Association and to see that their duties are properly performed;

{c} appoint an Auditing Committee prior to the annual meeting, to consist of 3 members of the Association. The Audit Committee shall audit Association books, report their findings to the Board before preparing a written report to be given at the annual meeting.

{d} as more fully provided in the Declaration, to:

{1} fix the amount of the annual assessment against each lot at least 30 days in advance of each annual assessment period;

{2} send written notice of each assessment to every owner subject thereto at least 30 days in advance of each annual assessment period;

{3} file the lien against any property for which assessments are not paid within 30 days after due date or to bring an action at law against the owner personally obligated to pay the same;

{e} 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;

{f} cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

{g} cause the Common Area 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, a secretary and a 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 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 resigns 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 whom shall hold office for such period, have such authority, and perform such duties as the Board may 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 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 within, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: Vacancies--A vacancy in any office shall 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 office 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 this Article.

Section 8: Duties--The duties of the officers are as follows:

PRESIDENT

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; shall co-sign checks only when the amount is in excess of \$100.00.

VICE-PRESIDENT

The Vice-President shall act in the place 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

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; serve notice of meeting of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; shall perform such other duties as required by the Board.

TREASURER

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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association to be made at the completion of each fiscal year; shall prepare a statement of income and expenditures to be presented to the membership at its regular annual meeting. 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.

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A.L. Neuberger

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint a Nominating Committee and an Auditing Committee, as provided in these Bylaws. In addition, the Board 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, by appointment, be subject to inspection by any member. The Declaration and the Bylaws of the Association shall be available to be purchased from the secretary by any member for a 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 assessment which is not paid when due shall be delinquent. If the assessment is not paid within thirty {30} days after the due date, the assessments shall bear interest from the date of delinquency at the rate of fifteen (15%) percent per annum, 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 waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: EASTWOOD HOMEOWNERS

ARTICLE XIII

AMENDMENTS

Section 1: These Bylaws may be amended at the regular annual meeting of the members by a vote of 2/3rds of members present in person.

Section 2: All members will be notified of proposed amendments prior to the annual meeting.