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**BYLAWS  
OF  
ALLEN HOMESITES  
HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE 1.  
PURPOSE AND ACCEPTANCE.**

**1.1 Purpose.** The purpose for which Allen Homesites Homeowners' Association (AHHA) is formed is to acquire and maintain as common area Lower and Upper Allen Road and the Fisherman's Walk as designated on the official plat of the Allen Homesites, otherwise maintain and improve the common area within the Allen Homesites (the Subdivision) and to enforce the protective covenants imposed upon the Subdivision.

**1.2 Acceptance and Ratification.** All present or future owners or tenants or any other person that might use in any manner any of the lots or common elements of the Subdivision are subject to the provisions of these Bylaws. Acquisition, rental or occupancy of any of the lots shall constitute acceptance and ratification of these Bylaws and shall signify that they will be complied with.

**1.3 Definitions.** Terms used in these Bylaws are defined by *Colorado Common Interest Ownership Act* (#38-33.3-101, *et seq.*, C.R.S. 1973), the Declaration of Protective Covenants for the Subdivision (recorded xxxxxx xx, 1963 in the records of the Clerk and Recorder of Gunnison County, Colorado in Book xxx at page xxx) and any Amendments thereto (Declaration).

**ARTICLE 2.  
MEMBERSHIP, VOTING, PROXIES**

**2.1 Membership.** The membership of AHHA shall consist exclusively of all lot owners. Any person, on becoming a lot owner, shall automatically become a Member of AHHA and shall be subject to these Bylaws. Such membership shall terminate without any formal AHHA action whenever such person ceases to own a lot. Such termination shall not release any former lot owner from any liability arising under these Bylaws, or from membership in AHHA, or by virtue of ownership of a lot.

**2.2 Voting.** All Members shall be entitled to vote on matters, with one vote per lot. If only one of the multiple owners of a lot is present at a meeting of AHHA, such owner is entitled to cast the vote allocated to that lot. If more than one of the multiple owners are present, the vote allocated to that lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the multiple owners casts the vote allocated to that lot without protest being made promptly to the person presiding over the meeting by any of the other owners of the lot. If there is an even number of owners of a particular lot and said owners split evenly on a question and as a result cannot reach a decision, AHHA's President shall

cast a tie-breaking vote.

**2.3 Proxies.** Votes allocated to a lot may be cast pursuant to a proxy duly executed by a lot owner. If a lot is owned by more than one person, each owner of the lot may vote or register protest to the casting of votes by the other owners of the lot through a duly executed proxy. A lot owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

**2.4 Holders of Security Interest as Proxies.** Lot owners shall have the right to constitute irrevocably and to appoint the holder of a security interest in their lot their true and lawful attorney to cast their lot vote in AHHA at any and all meetings of AHHA and to vest in such holder or his nominee any and all rights, privileges and powers that they have as a lot owner under the Articles of Incorporation, Bylaws, and Declaration. Such proxy shall become effective upon filing of a notice by the beneficiary with the Secretary of AHHA at such time or times as the holder shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Executive Board, AHHA or the lot owners to carry out their duties as set forth in the Declaration or Bylaws. A release of the security interest shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve lot owners, as grantors of the security interest, of their duties and obligations as lot owners or to impose upon the holder of the security interest the duties and obligations of a lot owner.

### **ARTICLE 3. ADMINISTRATION.**

**3.1 Annual Meeting.** Meetings of AHHA Members shall be held at least once each year, beginning 1996. At such meetings there shall be elected by ballot members of the Executive Board in accordance with the requirements of these Bylaws. The Members may also transact such other business of AHHA as may properly come before them.

**3.2 Special Meetings.** Special meetings of AHHA may be called by the president, by a majority of the Executive Board, or by lot owners having fifty percent (50%) of the votes in AHHA. No business except as stated in the notice shall be transacted at a special meeting unless by consent of the Members present, either in person or by proxy.

**3.3 Notice of Meetings.** Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each lot or to any other mailing address designated in writing by the lot owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, etc. The delivery or mailing of a notice in the manner provided in this section shall be considered notice served, and the Certificate of the Secretary that notice was duly given shall be prima facie evidence thereof.

**3.4 Quorum.** Except as otherwise provided in these Bylaws, the presence in person or by proxy at the beginning of the meeting of Members holding twenty-five percent (25%) of the votes entitled to be cast for the election of the Executive Board shall constitute a quorum. An affirmative vote of a majority of the Members present, either in person or by proxy, shall be required to transact the business of the meeting.

**3.5 Order of Business.** The order of business at all meetings of the Members shall be as follows:

- 3.5.1 Roll call and certifying proxies;
- 3.5.2 Proof of notice of meeting or waiver thereof;
- 3.5.3 Reading of Minutes of previous meeting;
- 3.5.4 Reports of Officers;
- 3.5.5 Reports of Committees;
- 3.5.6 Election of Executive Board;
- 3.5.7 Old business;
- 3.5.8 New business;
- 3.5.9 Adjournment.

**3.6 Adjourned Meetings.** If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

#### **ARTICLE 4. EXECUTIVE BOARD.**

**4.1 Authority.** Except as specifically provided in the Declaration, Section 4.3, below, or any other provisions of the Bylaws, the Executive Board may act in all instances on behalf of AHHA.

**4.2 Performance of Duties.** No member of the Executive Board and no officer shall be liable for actions taken or omissions made in the performance of such person's duties except for wanton and willful acts or omissions.

**4.3 Limits of Authority.** The Executive Board may not act on behalf of AHHA to amend the Declaration or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

**4.4 Powers and Duties.** The Executive Board shall have the powers and duties necessary for the administration of the affairs of AHHA and for the maintenance, repair and replacement of the common elements. Such powers and duties shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the lot owners:

4.4.1 To act in the capacity of Architectural Control Committee pursuant to the provisions of the Declaration.

4.4.2 To administer and to enforce the covenants, conditions, uses, restrictions, easements, limitations, obligations and all other provisions set forth in the Declaration and the Articles of Incorporation and Bylaws of AHHA, and any amendments thereto.

4.4.3 To establish, make and enforce compliance with such rules as may be necessary for the use and occupancy of the common elements and the lots, with right to amend such rules from time to time. Such administrative rules and regulations may be adopted or amended only with the approval of the owners of a majority of the lots. A copy of the rules shall be delivered or mailed

to each Member upon adoption thereof.

4.4.4 To designate and to remove personnel necessary for the maintenance, repair and replacement of the common elements and to incur such costs and expenses as may be necessary to keep the common elements in good condition and repair, and to make repairs, additions, alterations and improvements to the common elements consistent with managing the Subdivision in a manner consistent with the best interests of the lot owners. Notwithstanding the foregoing, any cost incurred in the maintenance, repair or replacement of the common elements that will exceed \$500.00 must have the prior written approval of the owners of a majority of the lots.

4.4.5 To prepare annually a budget for AHHA in order to determine the amount of the common assessments necessary by the lot owners to meet the common expenses, to allocate and assess such common charges among the lot owners according to their respective common ownership in and to the common elements, and to adjust the amount of the periodic assessments, and to remit or return any excess of assessments over expenses, working capital, reserves for deferred maintenance and replacement to the owners at the end of each operating year. To levy and to collect regular annual assessments and special assessments whenever it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

4.4.6 To impose charges for late payment of assessments, recover reasonable attorney fees and other legal costs for collection of assessments and other actions to enforce the power of AHHA, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and rules and regulations of AHHA.

4.4.7 To enter into contracts to carry out their duties and powers.

4.4.8 To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable, provided, however, that any check drawn on a bank account containing funds of AHHA shall require the signatures of two persons, those persons designated by the Executive Board.

4.4.9 To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at reasonable times by each of the Members under the conditions specified in Article 9 hereof, and to prepare or have prepared annually unaudited financial statements, delivered to Members upon request.

4.4.10 To meet at least semi-annually.

4.4.11 In general, to carry on the administration of AHHA and to do all things necessary and reasonable in order to carry out the governing of the Subdivision.

**4.5 Budget Approval.** Within thirty days after adoption of any proposed budget for AHHA, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the lot owners and shall set a date for a meeting of the lot owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting owners of a majority of all lots reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the

periodic budget last ratified by the lot owners must be continued until such time as the lot owners ratify a subsequent budget proposed by the Executive Board.

**4.6 Election and Term of Office.** The lot owners shall elect an Executive Board of at least five (5) members and one (1) alternate, who will serve in the absence of any Board Member. All Executive Board members must be lot owners. The Executive Board members shall take office upon election. At the first meeting of AHHA Members, the term of office for all Board Members shall be one (1) year. At the expiration of the initial term of office of each Board Member, his successor shall be elected to serve a term of two (2) years. Except as is otherwise provided by these Bylaws, the Executive Board members shall hold office until their successors have been elected and hold their first meeting.

**4.7 Removal of Board Members.** Notwithstanding any provision of the Declaration or Bylaws to the contrary, the lot owners, by a vote of sixty-seven percent (67%) of all persons present and entitled to vote at any meeting of the lot owners at which a quorum is present, may remove any member of the Executive Board with or without cause.

**4.8 Vacancies.** Vacancies in the Executive Board caused by any reason other than the removal of an Executive Board member by a vote of the lot owners shall be filled by vote of the majority of the remaining Executive Board members, even though they may constitute less than a quorum, and each person so elected shall be an Executive Board member until his successor is elected. Vacancies created by a vote of the lot owners shall be filled by a vote of the lot owners.

**4.9 Organizational Meeting.** The first meeting of a newly elected Executive Board following each annual meeting of AHHA Members shall be held within thirty (30) days thereafter at such place as shall be fixed by the Executive Board members at the meeting at which such Executive Board members were elected, and no notice shall be necessary to the newly elected Executive Board members in order legally to constitute such meeting, providing a majority of the whole Executive Board shall be present.

**4.10 Regular Meetings.** Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time, by a majority of the Executive Board members, but at least two (2) such meetings shall be held during each calendar year. Notice of regular meetings for the Executive Board shall be given to each Board Member, personally or by mail, telephone or telegraph, at least fifteen (15) days prior to the day named for such meeting.

**4.11 Special Meetings.** Special meetings of the Executive Board may be called by the President on three (3) days' notice to each Board Member, given personally or by mail, telephone or facsimile which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of an Executive Board member.

**4.12 Quorum.** At all meetings of the Executive Board, a majority of the Executive Board members shall constitute a quorum for the transaction of business, and the acts of the majority of the Executive Board members present at the meeting at which a quorum is present shall be the acts of the Executive Board. If, at any meeting of the Executive Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.