

BYLAWS

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BYLAWS OF
FALLS 2004 HOMEOWNERS ASSOCIATION, INC.

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Janice Ward CLK&REC Mesa County,
RecFee \$35.00 SurChg \$1.00

- Article: 1. Name, Location, Applicability
Membership
- 1.1 Name: The corporate name is the Falls 2004 Homeowners Association, Inc.
 - 1.2 Location: The Association is located in the city of Grand Junction, Mesa County, Colorado.
 - 1.3 Applicability: The bylaws are applicable to all members, tenants, visitors, and business personnel.
 - 1.4 Board of Directors Qualifications: An individual must be a resident and owner of a lot located within the perimeter of the Association, and their membership in the Association is in good standing. At the Board of Directors discretion, it may appoint an outside consultant as a Director with full Board authority for a term determined by the Board.
 - 1.5 Membership: One membership is shared by all members of a household, whose dues and assessments are current, and who is the owner of a lot within the perimeter of the Association.

Article 2. Meetings of Members

- 2.1 Meeting Locations: All meetings shall be conducted in a place designated by the Board, within or as close to the Association properties as possible. Meetings shall be conducted in accordance with the Robert's Rules of parliamentary procedures.
- 2.2 Annual Meeting: The Annual Meeting shall be held as designated by the Board during or as close to the Association's designated anniversary date of August first.
- 2.3 Special Meetings: Special Meetings of the members may be called by a quorum of the Board, the President, or by written request of a member in the Association as per Article 1.5, to an officer of the Board, signed by 25% of the total voting membership, not less than 30 days nor more than 60 days after receipt of the request.
- 2.4 Notice of Meetings: The Secretary of the Association shall give written notice, by First Class Mail or Personal Distribution, of any open Members' Meeting, 30 days prior to the Meeting. At the discretion of the Board, a 2nd notice or reminder notice may be sent or hand distributed to the homeowners at a reasonable time prior to the scheduled meeting.
- 2.5 Voting Rights: Owners shall be entitled to one vote (one household-one vote) for each residence they own as per Article 1.5.

2.5-1 Renters do not have voting rights.

2.6 Quorum: At any open Meeting, a quorum shall be the presence, either in person or by proxy, of at least 25% of the members in the Association. A quorum is required for transacting business.

2.6-1 If the required quorum is not met, another meeting may be scheduled subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. The subsequent meeting shall be held within 30 days following the preceding meeting.

2.7 Proxies: All duly scheduled meetings of Members may vote in person or by proxy. All proxies shall be in writing and be filed and recorded with the Secretary of the Association prior to the meeting.

2.7-1 Revocable Proxy: Member's who filed written proxies prior to a scheduled meeting with the Secretary may cancel, or withdraw their proxy at any time prior to the meeting being called to order.

Article 3. Board of Directors

3.1 Number and Qualifications: The Board of Directors shall consist of not less than five (5) nor more than seven (7) members. The Board shall have a President, Vice President Secretary, Treasurer, and up to three (3) Directors At Large.

Members of the Board must be members of the Association, and have lived in the project for not less than six (6) months, which may be waived by the Board, but must be current in their dues and assessments.

3.2 Nominations and Elections. A Nominating Committee of not less than two (2) people shall be appointed by the Board prior to the Annual Meeting. The Committee shall provide a list of nominees to fill all vacancies on the Board, at least 30 days before the Annual Meeting

3.2-1 Nominees should provide the Committee with a written acceptance to be eligible to appear on the official ballot.

3.2-2 The Moderator at the Annual Meeting will ask for nomination from the floor. Any qualified member present at the Annual Meeting may make or receive a nomination from the floor. The nominee must make an audible acceptance of the nomination, and is then considered on the election slate. When no further nominations are made, the Moderator shall declare the nominations closed, and proceed with the voting.

3.2-3 In the event there are no nominations and positions of the Board are to be left vacant,

the remaining positions lack a quorum to conduct business, the present Board shall declare the nominations closed and postpone to a later date, not to exceed 60 days, to present to the members the question of dissolving the Association or seek other remedies.

- 3.3 Term: Each elected Director shall hold office until the election of his or her successor, The term of office for the President, Vice President, Secretary and Treasurer is one year.

The term of office for the Directors is three years and are staggered allowing one member to be elected each year.

There are no term limits.

- 3.4 Removal of Directors: Directors may be removed from office by the Board declaring the office vacant for any of the following reasons:

Failure to carry out the duties charged to the position held

Failure to attend three consecutive un-excused regular meetings of the Board

Convicted of a felony

Refuses to pay or is delinquent in Association fees

No longer has any lot ownership in the project

One or more directors may be removed by the Board or the Association

members at a specially called "Recall Meeting" in accordance with paragraph

2.3.

- 3.5 Any vacancy on the Board caused by death, removal or resignation of a director, shall be filled by the remaining directors or they may appoint an Association member for the un-expired term of the predecessor.

- 3.6 Compensation: No director shall receive any manner of compensation for services rendered to the Association, other than reimbursement for receipted expenses incurred in the performance of his/her approved duties.

- 3.7 Powers and Duties: The Board, as a body or individually, shall exercise all powers and duties vested in or delegated to the Board by the Association members and by providing a documented system in accordance with the Colorado Corporation Codes governing nonprofit mutual benefit corporations. These powers and duties shall include but not be limited to the following:

Interpreting and enforcing the applicable provisions of the Associations governing documents.

Managing, maintaining and enforcing the Conditions, Covenants and Restrictions (CC&R's) in the best interest of the membership and for the betterment of the community and environment.

Filling vacancies on the Board, Standing Committees and Ad-Hoc Committees.

Contracting for casualty, liability and other insurances to protect the Association.

Contracting for legal or financial needs to support the Association's financial and legal requirements.

Borrowing money, incurring indebtedness and executing promissory notes or other evidences of debt for the Association with the approval and authorization of 51% of the voting power of the Association members. Such incumbered or reserved funds designated for specific uses, must be used as designated.

Initiate hearings and execute disciplinary proceeding against members for violating the provisions of the governing documents, in accordance with those documents.

Once A Year:

Prepare a yearly budget.

Establish a policy and procedure for reviewing and reporting of Association operating and other reserve financial accounts.

Provide a yearly audit of Association funds and accounts by an independent five (5) member committee comprised of Association homeowners.

Provide the membership with a yearly financial report.

3.8 Money Withdrawals and Spending: It shall require the signatures of two (2) directors for the purpose of withdrawal of funds from any financial institution where Association funds are on deposit.

3.8-1 The Board is authorized to allow the Treasurer to establish a Petty Cash Fund of \$20. for the purpose of paying for small incidental receipted expenditures of \$10.00 or less. The fund can be re-funded as needed.

Article 4 Meetings of Board of Directors

4.1 Regular Meetings: Meetings of the Board shall be held at regular scheduled intervals and time as designated by the Board (monthly, bi-monthly, quarterly).

4.1-1 Board meetings are "open" meetings and members are to be kept apprised as to time and place. Notices of meetings may be by letter, newsletters, posted in a central location or announced at the annual meeting.

Members, unless invited by the Board, shall be allowed to address the Board ONLY when scheduled on the meeting agenda by contacting the President in advance in writing, telephone or in person.

4.2 Special Meetings: Special meeting of the Board may be called for by the President of the Association or by any two Directors other than the President. Notification of the meeting may be by first class mail, by telephone, or other electronic means. In either case, notification of the meeting shall include the time, place, and the nature of the business to be considered. A quorum of members of the Board must be present before the meeting can be called to order to conduct business.

4.2-1 Board Action Without A Meeting: The President or his designee may call a special meeting of the Directors, without prior notice, by contacting them separately by e-mail, telephone or by the telephone "conference call" feature and explaining the

purpose of the meeting. To certify a quorum, the name of each Director participating must be recorded by the Secretary. Any action taken, decisions made or voting results shall be recorded by the Secretary and read at the next scheduled Board meeting.

- 4.3 Quorum: A majority of Board members present shall constitute a quorum for the purpose of enacting business.
- 4.4 Board Hearing Regarding Member Violations: When any matter relating to an Association member's violation of the governing documents, that has not been resolved when cited, shall be scheduled for the member to appear before the Board. The hearing shall be limited to the violation and any disciplinary action, if any, and shall be conducted in accordance with the established policies and procedures.
- 4.5 Minutes: The Secretary shall keep accurate written minutes of Board meetings. They shall be retained in the Secretary's custody at an assigned location with other Association records. The minutes and other records shall be made available to any member, with advance notice to the Secretary, for on sight review only. Members may not remove, borrow or copy any records, but may purchase copies for a nominal fee
- 4.5-1 Request For Copies: Lot owners may request copies of records upon written notice to the Secretary. The Secretary shall be allowed a reasonable time to prepare the requested records.
The request must be made in good faith, including reasonable detail, show relevance to the records sought, and the purpose of the request.
- 4.5-2 The Board may charge a fee not to exceed the actual cost per page to reproduce. There will be a service charge for preparation, travel time and expenses for the Secretary to have the requested documents reproduced in accordance with the Policies and procedures.
- 4.5-3 The Secretary shall provide the Lot owner with a written receipt for the amount paid. A copy of the receipt shall be placed in the Lot Owners file.

Article 5. Officers Duties

5.0 Duties: The basic duties of the Officers shall include, but not be limited to the following:

5.1 President:

Presides over all meetings of Association members and the Board.
Signs all written instruments produced by the Board with his signature. He may delegate this authority to other Board members.
Calls for special meetings with the membership and the Board in accordance

with the rules herein.

Provides supervision, direction, and control of the affairs of the Association, the Board, and established committees.

Delegates responsibilities to Board members and committee personnel.

Performs and/or oversees any other duties required of the Board in reference to Association business.

5.2. Vice President:

Is responsible to the President.

Is second in the chain of command. Assumes the duties of the President in his/her absence.

Exercises and discharges any other duties assigned by the President.

Oversees the activities of all committees.

Signs all contracts and other written documents requiring a second Directors signature.

Certifies a quorum at meetings.

5.3 Secretary:

Is responsible to the President.

Records and file the minutes of all meetings.

Prepares and serves all required meeting notices of the Board and Members.

Keeps a "lot file" for each lot with the name, address, and telephone number of the current owner. The owner shall provide the same information for renters.

Keeps records of all governing documents.

Keeps the seal and affix to documents that require the same.

5.4 Treasurer:

Receives and deposits all Association funds in banks selected by the Board.

Is responsible for and supervise the keeping of the books and records to account for the Association funds, dues or special assessments.

Disburses and withdraws funds as specified by Board or established policies.

Prepares and distributes financial statements in accordance with the direction of the Board.

5.5 Directors:

Are responsible and report to the President.

Carry out delegated assignments.

Serve jointly with the other Board members in developing policies and procedures.

Act as "good will" representatives between the Board and members.

Article 6 Records and Inspection Rights

6.1 The Board shall maintain and have available all records and any books pertaining to Association business such as governing documents, financial records, and minutes of

all meetings.

- 6.2 **Inspection Rights:** Any member shall have the right to inspect the governing documents and records at any reasonable scheduled time. The inspection or review of records shall be “on sight” only, may not be borrowed or checked out. All documents shall remain in the custody of the appropriate director.

Article 7 Insurance

- 7.0 The Association shall purchase and maintain insurance on behalf of its agents - present and past directors, committee members or any other representative acting in an official capacity for the Association.

Article 8 Amendments

- 8.0 These Bylaws may be amended by a vote or written consent of fifty-one percent (51%) of the Association membership as defined in paragraph 2.6 in this document.

Article 9 Tax-Exempt Status

- 9.0 The Association shall conduct business pursuant to the Internal Revenue Code and the Colorado Revenue and Taxation Code.