

9 PAGE DOCUMENT

**REVISED BYLAWS**  
**OF**  
**CODY SUBDIVISION HOMEOWNERS ASSOCIATION, INC.**  
**(A Nonprofit Corporation)**

**ARTICLE I**

**(Definitions)**

- 1.1: **ARTICLES** includes the original or restated Articles of Incorporation for Cody Subdivision Homeowners Association, Inc., and all amendments thereto.
- 1.2: **BOARD OF DIRECTORS** shall mean the person or group of persons, vested with the management of the affairs of the Corporation, irrespective of the name by which such person or group is designated.
- 1.3: **BYLAWS** means the code of rules adopted for the regulation or management of the affairs of the Corporation, irrespective of the name by which rules are designated.
- 1.4: **CORPORATION** shall mean and refer to Cody Subdivision Homeowners Association, Inc., a non profit entity organized pursuant to the Colorado Nonprofit Corporation Act (hereafter "Act") as amended.
- 1.5: **DECLARATANT** shall mean and refer to John Davis, his successors and assigns.
- 1.6: **DECLARATIONS** shall mean the Declaration of Covenants, Conditions, Restrictions and Easements for the Corporation.
- 1.7: **LOT** shall mean and refer to each individual parcel of real property encompassed within the boundaries set forth for the Cody Subdivision Homeowners Association, Inc., which is intended for use and occupancy as a residence, title to which shall be in fee simple in that Owner.
- 1.8: **MEMBER** means one having ownership rights in the Corporation in accordance with the provisions of Corporation's Articles of Incorporation, Bylaws or Declaration.
- 1.9: **MORTGAGE** (Mortgagee-Mortgagor) shall mean and refer to such security devices) or parties thereto) as shall be used to secure any lien on a lot and shall include the deed of trust, or other form of mortgage deed used in Colorado by which a borrower conveys title to property to a Public Trustee who holds the title for the protection of the lender as security for the repayment of the loan described in the instrument.
- 1.10: **OWNER** shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

## **ARTICLE II**

### **(Offices)**

#### **2.1: PRINCIPAL OFFICE**

The principal office of the Corporation in the State of Colorado shall be located at the address of the presiding Secretary/Treasurer of the Corporation. The Corporation may have such other offices, either within or outside of the State of Colorado, as the Board of Directors may designate or as the business of the Corporation may require from time to time

#### **2.2: REGISTERED OFFICE**

The registered office of the Corporation required by the Act to be maintained in the State of Colorado, shall be located at the address of the presiding Secretary/Treasurer of the Corporation. The registered office may be, but need not be identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors.

## **ARTICLE III**

### **(Members)**

#### **3.1: CLASS OF MEMBERS:**

The Corporation shall have only one class of members. As may be more fully provided for in the Declaration, the owner of record, whether one or more persons or entities who owns fee simple title to a lot which is subject to the Declaration, including the Declarant, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

#### **3.2: ALIENABILITY OF MEMBERSHIP:**

Membership in the Corporation and the share of a member in the assets of the Corporation shall not be assigned, encumbered or transferred in any manner except as appurtenant to the transfer of title to the lot to which the membership pertains. Provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust or other security instrument on a lot as further security for a loan secured by a lien on such lot.

#### **3.3: AUTOMATIC TRANSFER OF MEMBERSHIP:**

A transfer of membership shall occur automatically upon the transfer of title to the lot to which the membership pertains. Such transfers shall be recorded on the books and records of the Corporation.

#### **3.4: PURCHASE RIGHTS OF MEMBERS:**

Members shall have the right to purchase other lots and to exercise the membership rights appurtenant thereto as provided in these Bylaws and the Declaration.

3.5: **VOTING:**

Ownership of a lot entitles the owner to one vote for each lot owned, except that the declarant shall have three votes for each lot owned. Cumulative voting is prohibited.

3.6 **VOTING BY MAIL:**

Members may vote by mail for the election of directors, which will require at least a majority of the votes which members are entitled to cast in the election. Members may vote by mail for amendment to the Articles of Incorporation, or a proposed plan, merger, consolidation, or dissolution, which may require the affirmative vote of at least sixty-seven percent (67%) of the votes which members are entitled to cast on that questions.

3.7: **SUSPENSION OF VOTING RIGHTS:**

The Corporation may suspend the voting rights of a member for failure to comply with the rules and regulations of the Bylaws of the Corporation or with any other obligation of the owners of a lot under the Declaration. All members shall be entitled to vote on all matters, except any members who are in default in any obligation to the Corporation.

3.8: **ANNUAL MEETINGS:**

The annual meeting of the members shall be held at 7:00 p.m., between the dates of January 10<sup>th</sup> and January 15<sup>th</sup>, and as close to the same date each year thereafter, or such other time and date as the members may designate from time to time. If the day for the annual meeting of the members is a weekend or legal holiday, the meeting will be held on the first day following the regular meeting date which is not a weekend or legal holiday. Absent another designation, the meetings shall be held at the registered office to the Corporation.

3.9: **SPECIAL MEETINGS:**

Special meetings of the members may be called at any time by the president or the board of directors, or upon written request of members holding one-fourth (1/4) of the total number of votes of the membership that are entitled to be cast.

3.10 **NOTICE OF MEETINGS:**

Either written notice or notification by telephone of each meeting of the members shall be given to each member entitled to vote by, or at the direction of, the president, other officers, or such other persons authorized to call the meeting, either personally or by mail, not less than ten (10) nor more than fifty (50) days before the date of the meeting. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. If mailed, the notice shall be deemed delivered when deposited in the United States mail, postage prepaid and addressed to the member at the member's address as it appears on the record of the Corporation.

3.11: **WAIVER OF NOTICE:**

When any notice is required to be given to any member, a waiver in writing, signed by the person entitled to that notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

3.12: **QUORUM:**

The presence at the meeting of members which represents one-fourth (1/4) of the total number of votes of the membership that are entitled to be cast shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, a quorum is not

present at any meeting, the members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.13: **MANNER OF ACTION:**

If a quorum is present, the affirmative vote of a majority of the votes present that are entitled to be cast shall be the act of the members, except for the following actions. Any amendment to the Articles of Incorporation, or a proposed plan, merger, consolidation, or dissolution shall require the affirmative vote of at least sixty-seven percent (67%) of the votes present that are entitled to be cast.

3.14: **PROXIES:**

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing executed by the member or the member's duly authorized attorney in fact and filed with the secretary/treasurer of the Corporation. Every proxy shall be revocable and shall automatically cease eleven months from the date of its execution unless otherwise provided in the proxy or upon conveyance of the lot by the Owner, whichever come first.

3.15: **ACTION WITHOUT A MEETING:**

Any action either required to be taken, or that may be taken, at a meeting of the members, may be taken without a meeting if a written consent setting forth the action so taken is signed by all of the members entitled to vote with respect to the subject matter thereof.

## **ARTICLE IV**

### **(Board of Directors)**

4.1: **INITIAL DIRECTOR:**

As set forth in the Articles of Incorporation, the initial number of the board of directors shall be one. Said director shall hold office until the first annual election of directors or until his successor is duly elected and qualified.

4.2: **NUMBER:**

Except as set forth for the initial number of directors, the affairs of the Corporation shall be managed by a board of three (3) directors, or such other number as may be fixed by amendment to the Bylaws. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director. The directors shall be natural persons over the age of eighteen (18) years, but need not be residents of the State of Colorado or members of the Corporation.

4.3: **TERM OF OFFICE:**

At each regular annual meeting, the members shall elect the directors for a term of one year. Each director shall hold office for the term for which he/she is elected or appointed and until that director's successor has been elected or appointed and qualified.

4.4: **REMOVAL OF DIRECTOR:**

The entire board of directors, or any lesser number, may be removed from the board, with or without cause, at any meeting of the members by a vote of a majority of the votes present at such meeting at which a quorum is present.

4.5: **VACANCIES:**

Any vacancy occurring on the board of directors and any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of the majority of the remaining

directors, even though less than a quorum of the board of directors remains. A director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his/her predecessor in office. Any directorship to be filled by reason of an increase in the number may be filled by the board of directors for a term of office continuing only until the next election of directors.

4.6: **COMPENSATION:**

No director shall receive compensation for any service the director renders to the Corporation in his/her capacity as director. However, directors may be reimbursed for actual expenses incurred in the performance of their duties.

4.7: **ACTION TAKEN WITHOUT A MEETING:**

Any action either required to be taken, or that may be taken, at a meeting of the directors, may be taken without a meeting if a written consent setting forth the action so taken is signed by all of the directors entitled to vote with respect to the subject matter thereof.

4.8: **NOMINATION OF DIRECTORS:**

Nominations for election to the board of directors shall be made from the floor at the annual meeting of members. Such nominations shall be made from among voting members only.

4.9: **ELECTION:**

Election to the board of directors shall be by secret, written ballot of the members entitled to vote. At such election the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The person or persons, if more than one vacancy exists, receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

4.10: **REGULAR MEETING:**

Regular meetings of the board of directors shall be twice per year, without notice, at such place, date and hour as may be fixed from time to time by resolution of the board, or at such other intervals as may be periodically fixed by the board. Should said meeting fall upon a weekend or legal holiday, then that meeting shall be held on the following day which is not a weekend or legal holiday. These meetings may be held either within or outside of the State of Colorado. It is not necessary to specify either the business to be transacted or the purpose of the meeting. If a regular meeting is scheduled during the month scheduled for the annual meeting, the annual meeting shall be in lieu of, and not in addition to, the regular meeting.

4.11: **SPECIAL MEETINGS:**

Special meetings of the board of directors shall be held when called by the president of the Corporation, or by two-thirds of the directors, after not less than three days notice to each director and specifying both the business to be transacted and the purpose of the meeting. These meetings may be held either within or outside the State of Colorado. Attendance of a director at any meeting shall constitute a waiver of notice of the meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.12: **ANNUAL MEETINGS:**

The annual meeting of the directors shall be held, without other notice than this Bylaw, immediately following the annual meeting of the members, or such other time and date as the directors may designate from time to time by resolution. If the day for the annual meeting of the directors is a weekend or legal holiday, the meeting will be held on the first day following the regular meeting date,

which is not a weekend or legal holiday. Absent another designation, the meetings shall be held at the registered office of the Corporation.

4.13: **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, unless a greater number is required by the Articles of Incorporation or the bylaws.

4.14: **POWERS:**

The board of directors shall have the power to:

- a. Exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation 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 director to be vacant in the event such director shall be absent from three consecutive regular meetings of the board of directors.
- c. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

4.15: **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, or at any special meeting when such statement is requested in writing by one-fourth of the total number of votes of the membership which are entitled to be cast.
- b. Supervise all officers, agents and employees of the Corporation, and to see that their duties are properly performed.
- c. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- d. The board of directors shall cause an annual audit of the Corporation's books at the completion of each fiscal year.

4.16: **LIMITATIONS ON LIABILITY:**

No director of this Corporation shall have any personal liability for monetary damages to the Corporation or its voting members for breach of his/her fiduciary duty as a director, except that this provision shall not eliminate or limit the personal liability of a director to the Corporation or its voting members for monetary damages for: (I) any breach of the director's duty of loyalty to the Corporation or its voting members; (II) acts of omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (III) voting for or assenting to a distribution in violation of Colorado Revised Statutes or the Articles of Incorporation if it is established that the director did not perform his duties in compliance with Colorado Revised Statutes, provided that the personal liability of a director in this circumstance shall be limited to the amount of the distribution which exceeds what could have been distributed without violation of Colorado Revised Statutes or the Articles of Incorporation; or (IV) any transaction from which the director directly derives an improper personal benefit. Nothing contained herein will be construed to deprive any director of his/her right to all defenses available to a director nor will anything herein be construed to deprive any director of any right he/she may have from contribution from any other director or other person.

## **ARTICLE V**

### **(Officers)**

- 5.1: **OFFICERS:** There shall be a president and a treasurer of the Corporation, who shall be required to be members of the Corporation. There shall be a secretary of the Corporation who may or may not be required to be a member of the Corporation, as is determined by the board of directors. There may be such other officers and assistant officers of the Corporation as the board may, from time to time, create by resolution. Any two or more offices may be held by the same person, except the offices of the president and secretary.
- 5.2: **ELECTION OF OFFICERS:** The officers shall be elected annually for a term of one year by majority vote of the board of directors. The election of officers shall take place at the annual meeting of the board. Election or appointment of an officer shall not of itself create any contract rights.
- 5.3: **SPECIAL APPOINTMENTS:** The board may elect such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board may, from time to time determine.
- 5.4: **RESIGNATION AND REMOVAL:** Any officer may be removed from office by the affirmative vote of a majority of the board, with or without cause, when in the board's judgment the best interests of the Corporation will be served by such removal. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Any officer may resign at anytime by giving written notice to the board, the president, or the treasurer. Such resignation shall take effect on the date of receipt of such notice or at any later time so specified, and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.
- 5.5: **VACANCIES:** A vacancy occurring in any office, and any office to be filled by reason of the creation of a new office, may be filled by the affirmation vote of the majority of the directors. An officer elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his/her predecessor in office. Any office to be filled by reason of the creation of a new office may be filled for a term of office continuing only until the next election of officers.
- 5.6: **DUTIES OF OFFICERS:** The following duties shall be the general duties of that office. These duties may be increased or decreased as the board may determine by resolution from time to time.
- a. 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 and co-sign all checks and promissory notes. The President shall assign one additional board member as signer on checks to sign in the president's absence.
- b. Treasurer.** The treasurer shall receive and deposit in the appropriate bank accounts all money of the Corporation and shall disburse such funds as directed by resolution of the board of directors, shall keep proper books of account, 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 same to all members.
- c. Secretary.** The secretary shall co-sign all checks and promissory notes of the Corporation, shall record the votes and keep the minutes of all meetings and proceedings of the board and the members, shall keep the corporate seal of the Corporation and affix it on all papers requiring said seal, shall serve notice of meeting of the board and of the members when necessary, shall keep appropriate records of the names and addresses of the members of the Corporation, and shall perform such other duties as required by the board. The Secretary shall provide Buyers of homes in Cody Subdivision with required CIC documents to include: minutes of the annual meeting, minutes of meetings of the board of directors for past 6 months, current budget and financial statement showing income and expenses for

the current year. These documents are to be provided to all Buyers prior to their closing on a home in Cody Subdivision.

- 5.7: **COMPENSATION:** Officers may be reimbursed for actual expenses incurred in the performance of said duties.
- 6.1: **BOOKS AND RECORDS:** The Corporation shall keep correct and complete books and records of account, minutes of the meeting proceedings of the members and the board, and shall keep at either the registered or principal office in the state of Colorado a record of names and addresses of its members entitled to vote. The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection for any proper purpose by any member or the member's agent or attorney.
- 6.2: **AMENDING BYLAWS:** These Bylaws may be altered, amended, repealed, or new Bylaws adopted, at a regular or special meeting of the board of directors by a majority vote of the board at which a quorum is present.
- 6.3: **AMENDING ARTICLES OF INCORPORATION:** The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote thereon, which may be at either an annual meeting or a special meeting. Amendment to the articles shall also be submitted if at least one-fourth of the members entitled to vote thereon so request. Written notices setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote at such meeting within the time and manner provided in these Bylaws for giving notice of meetings of members. The proposed amendment shall be adopted upon receiving at least sixty-seven (67%) of the votes which members present at such meeting or represented by a proxy are entitled to cast. Any number of amendments may be submitted and voted upon at any one meeting.
- 6.4: **INDEMNIFICATION:** The Corporation shall indemnify, to the maximum extent permitted by law, any person who is or was a director, officer, agent, fiduciary or employee of the Corporation against any claim, liability or expense arising against or incurred by such person made party to a proceeding because he/she is or was a director, officer, agent, fiduciary or employee of the Corporation or because he/she is or was serving another entity as a director, officer, partner, trustee, employee, fiduciary or agent at the Corporation's request. The Corporation shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification.
- 6.5: **DISSOLUTION, MERGER OR CONSOLIDATION:** The Corporation may be dissolved, merged or consolidated in the manner provided by Colorado law then in effect. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be distributed and transferred as the members may direct, subject to the requirements, limitations and other provisions of the Bylaws and the declaration. In such event, the assets may be granted, conveyed and assigned to any public agency, nonprofit corporation, association, trust or other organization to be devoted to purposes similar to those for which the Corporation was created. No member, director or officer of the corporation, or any other private individual shall be entitled to share in any distribution of any of the corporate assets upon dissolution of the corporation or otherwise.
- 6.6: **LOANS TO DIRECTORS OR OFFICERS:** No loans shall be made by the Corporation to the directors or officers. Any director or officer who assents to or participates in the making of such loan shall be liable to the corporation for the amount of such loan until the loan is repaid in full.
- 6.7: **CONFLICT:** In the case of any conflict between the Articles of Incorporation, the Bylaws and the Declaration, the Declaration shall control. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.



6.8: **FISCAL YEAR:** The fiscal year of the Association shall begin January 1<sup>st</sup> and end on December 31<sup>st</sup> of each year, except that the first fiscal year shall begin on the date of incorporation.

**IN WITNESS WHEREOF**, the undersigned, being the directors of Cody Subdivision Homeowners Association, Inc., has revised these Bylaws this 30<sup>th</sup> day of August, 2011.

Joe Grout  
Joe Grout

Bill Barslund  
Bill Barslund

Tyron DuCray  
Tyron DuCray

State of Colorado     )  
                                  )ss.  
County of Mesa         )

The foregoing was subscribed and sworn to before me this 30<sup>th</sup> day of August, 2011 by Joe Grout, Bill Barslund and Tyron Ducray.

Witness my hand and official seal.

My commission expires: 11/09/2013

Kathleen A. Bowen  
Notary Public



**CERTIFICATION**

I hereby certify that I am the duly elected and acting president of Cody Subdivision Homeowners Association, Inc., and that the foregoing ten pages of Bylaws, including this page constitute the revised Bylaws of the Corporation, as duly adopted at a meeting of the board of directors held on the 30 day of August, 2011.

Joan E. Dugrod 8/30/2011  
President/Date