

**BOARD RESOLUTION  
TO  
ACCEPT BYLAWS**

We, the undersigned, being all the Directors of Southern Bluffs Owners Association, organized and existing under the laws of Colorado, and having its principal place of business at 801 Bluffs Blvd., Cortez, CO 81321 (the Association), acting pursuant to the provisions of the Colorado Revised Nonprofit Corporation Act, hereby certify that the following is a true and correct copy of a resolution duly adopted at a meeting of the Directors of the Association duly held and convened on November 21, 2020, at which a quorum of the Board of Directors was present and voting throughout, and that such resolution has not been modified, rescinded or revoked, and is at present in full force and effect:

WHEREAS, Colorado Revised Statute ("C.R.S.") 38-33.3-209.5(1)(b)(vii) requires the Association to adopt procedures for the adoption and amendment of policies, procedures and rules, and

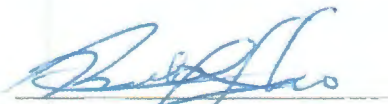
WHEREAS, C.R.S. 38-33.3-302(1)(a) authorizes the Association to adopt and amend Bylaws, Rules and Regulations, and

WHEREAS, C.R.S. 38-33.3-308(2.5)(b) provides that the members of the Association shall be permitted to speak regarding an issue under consideration before the Board votes on that issue, and

WHEREAS, Article 3.9 of the Association's Declaration authorizes the Board of Directors to administer the affairs of the Association, and

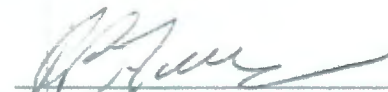
WHEREAS, a majority of a quorum of members resolved at the November 14, 2020 Owners' meeting to adopt the draft Bylaws with amendments to the draft;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors, by unanimous written consent, accept and agree to abide by the November 14, 2020 Bylaws attached hereto.

  
Robert Stump

11/21/2020   
Date Pat Rule

11-21-2020  
Date

  
Roger Fulks

11/21/20   
Date Karen Sheek

11-21-20  
Date

  
William Marty

11/21/2020  
Date

The Secretary of the Board of Directors certifies that the above is a true and correct copy of the resolution that was duly adopted at the above dated meeting of the Board of Directors.

# Bylaws of the Southern Bluffs Owners Association

Adopted November 14, 2020

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# Bylaws of the Southern Bluffs Owners Association

Adopted November 14, 2020

MONTEZUMA COUNTY, COLORADO

CITY OF CORTEZ

## Article I. Objectives and Standards

### Section 1.01 Purpose

The purpose of this non-profit corporation (hereinafter the “Association”) is to provide for the governance and operation of the development known as Southern Bluffs, located in Montezuma County, Colorado. This includes all property which is currently subject to or elects to become subject to the Second Amended Plat of Southern Bluffs recorded December 21, 2004, in Book 15 at Page 130 in the public records of Montezuma County, Colorado (hereinafter the “Declaration”). The objectives of the Association are to govern and operate Southern Bluffs in accordance with the Declaration, to protect the value and amenities of the property, and to provide for the maintenance of the common elements for the benefit of all present and future owners.

### Section 1.02 Compliance Required

All present and future Owners of property in Southern Bluffs are subject to the Declaration and shall be subject to the regulations set forth in these Bylaws, which have been drawn up under the authority of Article III of the Declaration. The acquisition, rental or occupancy of any Lot in the property will signify that these Bylaws are accepted, ratified, and will be complied with.

### Section 1.03 Nonwaiver

Failure to enforce any provision of these Bylaws shall not be deemed to be a waiver of the right to do so thereafter.

### Section 1.04 Effective Date

These Bylaws shall take effect when adopted by the Members. They shall not be construed to apply to acts or conditions that occurred prior to their effective date, and they shall supersede any previous regulations should there be a conflict.

### Section 1.05 Terms

Terms used in these Bylaws are defined in the Declaration or these Bylaws and will have the meanings set forth therein, unless the context requires otherwise.

## Article II. Offices

### Section 2.01 Location

The principal office of the Association shall be located in Colorado.

### Section 2.02 Address

This Section constitutes notice of a change of address, as required in the Declaration, Section 3.10. All notices to the Association shall be addressed as follows:

Southern Bluffs Owners Association  
801 Bluffs Blvd.  
Cortez, CO 81321

## Article III. Membership

### Section 3.01 Categories of Membership

Every lot owner shall be a Member of the Association, shall remain a Member for the period of ownership of a Lot, and shall be subject to the membership requirements of the Declaration. The Owner or Owners of any Lot which is in arrears on its assessments are Inactive Members during the period of such arrears. All other Members are Active Members. The Association may limit the rights of Inactive Members in its affairs, but shall not curtail their rights to the use and enjoyments of their Lots.

### Section 3.02 Annual Meetings

Two annual meetings of Members shall be held each year on or about the second Saturday in June and the second Saturday in October at the principal office of the Association or such other location as shall be designated by the Board. If the day falls on a legal holiday, then the meeting shall be held on or about the first Saturday thereafter. Any legitimate matter of business may be introduced at the annual meetings, notwithstanding any published Agenda.

### Section 3.03 Special Meetings

Special meetings of the Members, other than those regulated by statute, may be called at any time by the President or the Board, and be held at such times or places as are determined by the Board. The notice for a special meeting shall state the purpose or purposes for which it is called. The Board shall call a special meeting of Members, in like manner, whenever requested to do so in writing by a Member or Members constituting not less than ten percent of the outstanding Active membership of the Association. No business other than that specified in the Notice of the special meeting shall be transacted at any special meeting of the members.

### Section 3.04 Notice of Meetings

Written notice stating the place, day and hour of every meeting of members and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be sent by the Secretary not less than fifteen (15) nor more than fifty (50) days before the date of the meeting, by first-class mail, postage prepaid, to each member of record. Such mailing shall fulfill the requirements for notice when addressed to the member at their address as it appears in the records of the Association.

### **Section 3.05 Conduct of Meetings and Quorum**

All meetings shall begin promptly and be conducted in an orderly manner. In procedural matters not covered by these Bylaws, Robert's Rules of Order shall be followed. The presence in person or by proxy, at the beginning of a meeting, of thirty percent (30%) of the Active Members shall be necessary for a quorum for the transaction of business, but a lesser number may adjourn for a period not to exceed sixty (60) days at any one adjournment; and the Secretary shall thereupon give at least fifteen (15) days' notice by mail as described in Section 3.04 to each member who was not present in person at such meeting.

### **Section 3.06 Eligibility and Voting**

The Owners of each Lot subject to the Declaration shall have one (1) vote. Inactive Members are not eligible to cast their vote for any Lot which is in arrears on its assessments. When more than one person holds an interest in a Lot, they may appoint a delegate to cast a vote for the Lot as the Owners thereof agree, but the voting interest allocated to such Lot shall not be divided among co-owners.

### **Section 3.07 Manner and Effect of Voting**

Every Active Member shall be entitled to vote in person or by written proxy. A proxy shall be valid for eleven (11) months from the date of its execution unless otherwise provided in the proxy. Active Members shall also be permitted to vote by mail for elections in which the slate of candidates cannot be amended at the meeting. At elections where mail ballots are allowed those received by the time of the meeting shall be included in determining a quorum for that election only and not for the transaction of any other business; and a majority or plurality, as required by the election, of votes cast shall be required for election. Other matters requiring a vote of the membership shall be determined by a majority vote of the Members voting, except amendments to these Bylaws, which are governed by Article X, and except amendment of the Articles of Incorporation or a proposed plan of merger, consolidation or dissolution, which shall require an affirmative vote of two thirds of the Active Members.

### **Section 3.08 Waiver of Notice**

When any notice is required to be given to any Member, the attendance of such Member at any meeting shall constitute a waiver of notice, waiver of objection to defective notice of such meeting, and a waiver of objection to the consideration of a particular matter at the meeting unless the Member either 1) at the beginning of the meeting objects to the holding of the meeting or the transaction of business at the meeting, or 2) at the time a particular matter is presented at the meeting, and before any debate has begun, objects to the consideration of that matter.

## **Article IV. Board of Directors**

### **Section 4.01 Number, Qualifications and Election**

The affairs and business of this Association shall be managed by a Board of Directors (the "Board") consisting of five persons, at least a majority of which shall be Active Members of the Association. Candidates shall be subject to the provisions of Section 6.01, and all Directors shall be elected by secret ballot by the Active Members at the June annual meeting.

### **Section 4.02 Term of Office**

All directors shall be elected to three-year terms, which shall begin upon election and end when their successors have been elected and assume office. To the extent possible, director terms shall be staggered.

### **Section 4.03 Duties of Directors**

The Board shall have the powers and duties necessary for the administration of the affairs of the Association. The Board may do all such acts and things necessary to perform their duties except as prohibited by law or these Bylaws or by the Declaration. The Board may delegate all or any part of its powers and duties to a Managing Agent in accordance with the Declaration. The Directors may adopt such rules and regulations for the conduct of their meetings and the management of the Association as they deem proper, and as are not inconsistent with the Declaration, these Bylaws and the laws of the State of Colorado.

### **Section 4.04 Directors' Meetings**

Regular meetings of the Board shall be held immediately following the annual meetings of the Members and at such other times as the Board may determine. Special meetings of the Board may be held at such times or places as the Board may determine and shall be officially called by the President. In case of disagreement about procedural matters, Robert's Rules of Order shall be followed. All meetings of the Board are open to attendance by every Member and Members have the right to speak on issues before the Board, subject to reasonable conditions prescribed by law.

### **Section 4.05 Notice of Meetings**

Notice of Directors' meetings, other than regular annual meetings, shall be given by notifying each Director in person, by electronic means, or by mail in sufficient time that each Director shall receive the notice at least three days before the date therein designated for such meeting, of the time and place of such meeting. The notice need not state the matters of business to be considered at such meeting and shall be given by the Secretary. Notice of Directors' meetings shall be given to members by posting a written notice, not less than three (3) days before the date of the meeting, in a prominent place in Southern Bluffs, and by such other reasonable means as the Board may determine.

### **Section 4.06 Participation by Electronic Means**

Any Directors of the Association, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting. Meetings conducted under this Section must provide for the rights of Members to attend and participate as provided in Section 4.04.

### **Section 4.07 Quorum**

At any meeting of the Board, a majority of the Board shall constitute a quorum for the transaction of business, but in the event of a quorum not being present, a lesser number may adjourn the meeting to some future time, not more than thirty-one days later.

### **Section 4.08 Voting**

At all meetings of the Board, each Director shall have one vote. Except as otherwise required by law, the Articles of Incorporation or the Declaration, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

### **Section 4.09 Vacancies**

Vacancies in the Board occurring between elections shall be filled for the unexpired portion of the term by a person or persons selected by a majority of the remaining Directors, subject to the provisions of Section 6.01.

## **Section 4.10 Removal of Directors**

Any one or more of the directors may be removed with or without cause in the manner provided for in the Colorado Nonprofit Corporation Act.

## **Section 4.11 Compensation**

No Member of the Board shall receive any compensation for services rendered as a director; provided, however, that directors may receive reimbursement for actual expenses and compensation for services rendered to the Association in any other capacity.

# **Article V. Officers**

## **Section 5.01 Number**

The Officers of the Association shall be President, Vice-President, Secretary and Treasurer. The Board may establish such other Officers and assistant officers as they deem expedient. Any two or more offices may be held by the same person except the offices of President and Secretary. The Officers of the Association need not be Members or Directors except for the President.

## **Section 5.02 Elections and Terms of Office**

Candidates for the offices of President, Vice-President, Secretary and Treasurer shall be subject to the provisions of Section 6.01, and shall be elected by the Board to three-year terms, which shall begin upon election and end when their successors have been elected and assume office. All other Officers may be elected or appointed by the Board, to terms determined by the Board. All Officers shall serve at the pleasure of the Board.

## **Section 5.03 President**

The President shall be the chief executive officer of the Association and, subject to the control of the Board, shall in general supervise and control all the business and affairs of the Association. He or she shall preside at all meetings of the Members and of the Board. He or she may sign, with the Secretary or any other proper Officer of the Association thereunto authorized by the Board, deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

## **Section 5.04 Vice-President**

The Vice-President shall, in the absence of the President or in the event of his/her death, inability or refusal to act, perform all duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board.



## **Section 5.05 Secretary**

The Secretary shall:

- (a) keep the minutes of the proceedings of meetings of the Members and of the Board in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (c) be custodian of the Association records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized;
- (d) keep a register of the post office and email addresses of each Member which shall be furnished to the Secretary by such Member; and
- (e) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

## **Section 5.06 Treasurer**

The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Association;
- (b) receive and give receipts for monies due and payable to the Association from any source whatsoever and deposit or cause to be deposited all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; and
- (c) in general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board.

## **Section 5.07 Vacancies – How Filled**

All vacancies in any offices shall be filled by the Board, subject to the provisions of Section 6.01, without undue delay, either at its regular meeting or at a meeting specially called for that purpose.

## **Section 5.08 Removal of Officers**

By majority vote, the Board may remove any officer at any time, with or without cause.

## **Section 5.09 Salary**

No officer of the Association shall receive a salary for services rendered as such; provided, however, officers may be reimbursed for actual expenses and may be compensated for other services rendered to the Association.

# **Article VI. General Provisions Affecting Directors, Officers and Managing Agent**

## **Section 6.01 Conflict of Interest**

No one who personally, or in his or her business, is in a position to derive personal, family or business benefit from actions or decisions he or she could make in his or her official capacity shall be eligible to serve as a Director, nor as President, Vice-President, Secretary or Treasurer. The Board may waive this requirement for any other Officer. Notwithstanding this, no contract or other transaction made in good

faith between the Association and any other entity shall be impaired, affected or invalidated because of alleged conflicts of interest by the Association's Officers or agents.

### **Section 6.02 Indemnification**

The Association shall indemnify every Director and Officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including attorney fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being, or having been, a Director or Officer of the Association, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. The Board may provide insurance for the Directors and Officers for the purpose of complying with the indemnification required hereunder.

### **Section 6.03 Agency**

Contracts or other commitments or obligations made by the Board or Officers shall be made as agent for the Association, and the Board or such Officers shall have no personal responsibility or liability on any such contract or commitment except as a Lot Owner. The liability of any Lot Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each Lot Owner bears to the aggregate common interest of all the Lot Owners.

### **Section 6.04 Insurance**

The Board shall obtain and maintain in full force and effect the insurance coverage required by the Declaration or by law. The Board may require any Managing Agent or independent contractor providing services to the Association to obtain and maintain in full force and effect such insurance coverage as the Board deems appropriate for the services being rendered.

### **Section 6.05 Managing Agent**

If the Board or Officers delegate powers relating to collection, deposit, transfer, or disbursement of Association funds to other persons or a Managing Agent (hereinafter the "Agent"), then the Agent shall:

- (a) maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars or such higher amount as the Board may require;
- (b) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and
- (c) have an annual accounting for Association funds and a financial statement prepared and presented to the Association by himself, a public accountant, or a certified public accountant.

## **Article VII. Fiscal Management**

### **Section 7.01 General**

The provisions for managing the financial affairs of the Association, for and on behalf of all the Owners, are set forth in the Declaration which shall be controlling. The provisions of these Bylaws shall supplement the requirements of the Declaration and shall control except when in conflict with the Declaration.

## **Section 7.02 Assessments**

At least thirty days prior to the end of each calendar year, the Board shall determine the annual assessment for the next ensuing year. Such assessments shall be based upon an annual budget for the Association approved by the Board and adopted by the Owners. Each annual budget shall be based upon the actual income and expenditures for the preceding year plus such amounts representing expected additional expenses and modifications of income for the next ensuing year together with contributions to reserves maintained by the Association. Annual assessments shall be payable in periodic installments and with appropriate penalties for delinquency as shall be established by the Board. The interest rate for delinquent assessments shall be fixed annually by the Board at the time the budget is adopted but shall not exceed eighteen percent (18%) per annum.

## **Section 7.03 Reserves**

Reserves authorized in Section 5.11 of the Declaration may be kept by the Association, entirely or in part, in interest-bearing accounts; interest gained will be added to the reserve.

# **Article VIII. Management of Architecture and Land Use Restrictions**

## **Section 8.01 General**

The Declaration contains provisions governing the Architectural Review Committee, and Use and Architectural Restrictions, and such provisions shall be controlling. The provisions of these Bylaws shall supplement the requirements of the Declaration and shall control except when in conflict with the Declaration.

## **Section 8.02 Architectural Review Committee**

The three members of this Committee described in the Declaration shall be the voting members of the Committee, which may be expanded by the Board's appointment of additional non-voting members. In dealing with Owners, Builders, and others, in carrying out the Committee's prescribed functions, and in its deliberations, all members shall have equal duties, rights and privileges. In reporting and voting, the voting members shall act as representatives, using their best judgment in casting their votes. Notwithstanding disagreements, no voting member of the Committee shall be required to account for his or her vote. Procedures and fees adopted by the Committee shall be subject to review by the Board.

## **Section 8.03 Construction Impact Fee**

A Construction Impact Fee, in an amount determined by the Board, shall be provided to the Architectural Review Committee with an application for all new construction and major remodel construction approved after the date these Bylaws are approved. Construction impact fees collected shall be used to offset street and street Right-of-Way maintenance expenses.

## **Section 8.04 Additional Restrictions and Definitions**

Building materials required by the Declaration (Section 7.2) to be consistent with other structures on the property shall include newer type finishes as they become available, subject to approval by the Architectural Review Committee. No log-type homes, modular homes, trailers or mobile homes shall be permitted. No chain link fences are permitted. Non-licensed vehicles shall include drone aircraft operated by non-governmental entities. Required landscaping of Lots (Declaration Section 7.15) shall be defined as follows:

- (a) for Lots with dwellings certified for occupancy: as approved by the Architectural Review Committee;
- (b) for Lots with ongoing construction activity: none, while construction equipment is on site;
- (c) for vacant Lots with developed streets and infrastructure: mowing of vegetation at least annually and when vegetation exceeds eighteen inches in height;
- (d) for all other Lots: compliance with State, County and City requirements.

## Article IX. Miscellaneous Provisions

### Section 9.01 Seal

The seal of the Association shall be a circular impression bearing the words “Southern Bluffs Owners Association” in the Outer Circumference of the impression which surrounds the word “Seal.”

### Section 9.02 Fiscal Year

The fiscal year of the Association shall be from June 1st to May 31st until changed by Amendment to these Bylaws subject to applicable law.

### Section 9.03 Singular and Plural

Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine or feminine, as the context requires.

## Article X. Bylaws Amendments

### Section 10.01 Amendments

These Bylaws may be altered, amended, or repealed at any meeting of members at which a quorum is present, provided:

- (a) that the proposed changes have been submitted in writing at a previous members' meeting at which a quorum was present;
- (b) that a written copy of the proposed changes is included in the notice sent to Members for the meeting at which they are to be acted upon; and
- (c) that the changes are approved by a two-thirds majority of votes cast.