

**BYLAWS**  
**OF**  
**SOMERSET ESTATES HOMEOWNERS ASSOCIATION**

**ARTICLE 1 - GENERAL**

Section 1.1 Management of the Corporation. These Bylaws of Somerset Estates Homeowners Association ("Association"), a Common Interest Community ("Community") as defined by Colorado Common Interest Ownership Act, which shall operate under the Colorado Nonprofit Corporation Act, as amended, and the Colorado Common Interest Ownership Act, as amended.

Section 1.2 Conflicts with Articles of Incorporation. To the extent of any conflict between any provision of these Bylaws and the Articles of Incorporation, the Articles of Incorporation shall control.

**ARTICLE 2 - OFFICES**

Section 2.1 Principal Office. The principal office of the Corporation shall be P.O. Box 621, Niwot, Colorado 80544, or such other place as the Executive Board may designate from time to time.

Section 2.2 Registered Office. The registered office of the Corporation shall be as set forth in the Articles of Incorporation, or such other place as the Executive Board may designate from time to time.

**ARTICLE 3 - LOT OWNERS**

Section 3.1 Annual Meeting. Any person or entity who holds title to a Lot in the Common Interest Community shall be a member of the Association. Annual meetings of the members of the Association shall be held in March of each year at such day and date set forth in a notice of the meeting published by the Executive Board for the purpose of electing Directors, approving a budget for the current year, and for the transaction of such other business as may come before the meeting.

Section 3.2 Special Meetings. Special meetings of the Association, for any purpose, unless otherwise prescribed by statute, may be called by the President, the Executive Board, or by Lot owners holding the right to vote not less than 20% of all of the votes of the members of the Association.

Section 3.3 Place of Meetings. Meetings of the Association may be held at such location in Boulder County, Colorado as may be designated by the Executive Board.

Section 3.4 Notice of Meetings. Written notice to all Lot Owners stating the place, day and hour of a meeting, and in case of a special meeting, the purposes for which the meeting is

called, shall be sent not less than 10 nor more than 50 days before the date of the meeting, unless the Declaration specifies other notice requirements. Notice may be given personally, or sent by mail, by email, or by any other method of communication reasonably calculated to be received by the Lot owners, by or at the direction of the President, the Executive Board, or by the persons calling the meeting. Notice shall be deemed effective if sent to the last street or electronic address of which the Secretary of the Association has received written notice, unless otherwise specified in the Declaration. Any member may, at any time, waive notice of any meeting of the Association by a written statement waiving notice. By attending a meeting, a member shall be deemed to have waived notice of such meeting except where a member attends a meeting solely for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 3.5 Adjournment of Meeting. At any meeting of the Association, a majority of the owners holding membership votes who are present at that meeting, either in person or by proxy, may adjourn the meeting to another date and time.

Section 3.6 Voting.

(a) Persons Entitled to Vote. At any meeting at which the members are to vote on any matter, the persons attending the meeting may be required to check in and to identify the Lot or Lots for which they are entitled to cast a vote. In the event of a dispute as to whether any such person is entitled to vote, the person may cast a provisional vote pending proof of Lot ownership satisfactory to the President or other officer of the Association presiding over the meeting. Provisional votes will be counted only if they will affect the outcome of a matter upon which the members have voted. No partial votes may be cast. If two or more individuals or entities own interests in a Lot, an owner (or the designated representative of an owner which is a corporation, partnership, limited liability company, trust, or other organization or entity) who is present at a meeting of the Association shall be deemed to have the proxy of the other owners of such Lot and may cast the vote for such Lot; provided, however, that if more than one owner of a Lot is present at a meeting of the Association the several owners of such Lot must agree between themselves as to how they will vote or no vote may be cast.

(b) Proxies. Any vote may be cast under a proxy duly executed by any owner of a Lot. If a Lot is owned by more than one person, then the provisions of subparagraph a) hereinabove shall apply as to the authority of the proxy to cast the vote for such Lot. A Lot owner may revoke a proxy by attending a meeting and announcing the revocation of such proxy. A proxy is valid only for the matters identified therein, and only for the particular meeting specified therein.

(c) Representatives. If a Lot owner is a corporation, partnership, limited liability company, trust, personal representative, or other organization or entity, such organization may designate a representative who is an individual, and such representative may cast the vote of such organization or entity. The President or other officer of the Association presiding at a meeting may require reasonable evidence that a person voting as the

representative of an organization or entity is authorized to cast such votes.

(d) Lot Owned by Association. In the event that the Association is the owner of a Lot, no vote shall be cast for such Lot.

Section 3.7 Quorum. Twenty percent of the total membership interests in the Association entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the Association. If less than 20 percent of the membership interests are represented at a meeting, a majority of the membership interests so represented may adjourn the meeting from time to time, without further notice. At such adjourned meeting, if a quorum shall then be present or represented, any business may be transacted which might have been transacted at the meeting as originally scheduled. The Lot owners present at a duly organized meeting at which a quorum is originally present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Lot owners to leave less than a quorum remaining. The affirmative vote of a majority of the membership interests represented at a meeting at which a quorum is originally present shall be the act of the members of the Association, unless the vote of a greater number of membership interests is required by law, the Articles of Incorporation, or the Declaration.

#### **ARTICLE 4 - EXECUTIVE BOARD**

Section 4.1 Powers. The affairs of the Association and the Community shall be managed by an Executive Board, except as otherwise provided by law or by the Articles of Incorporation. The Executive Board shall have, subject to the limitations provided by law or contained in the Declaration, the powers and duties necessary for the administration of the affairs of the Association and of the Community, including but not limited to the following powers and duties:

- (a) Adopt and amend Bylaws and Rules and Regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves;
- (c) Set the amount of assessments for common expenses;
- (d) Collect assessments from the owners of Lots in the Community;
- (e) Hire and discharge managing agents;
- (f) Hire and discharge employees, independent contractors, and agents;
- (g) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association's Declaration, Bylaws or Rules in the Association's name on matters affecting the Community or Association;
- (h) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for other matters on behalf of or affecting the welfare of the Association;

- (i) Make contracts and incur liabilities on behalf of the Association;
- (j) Regulate the use, maintenance, repair, replacement and modification of common elements;
- (k) Cause additional improvements to be made as a part of the common elements;
- (l) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property;
- (m) Grant easements for any period of time, including permanent easements, and grant leases, licenses, and concessions for no more than one year, through or over the common elements;
- (n) Impose and receive a payment, fee or charge for services provided to individual Lot owners, and for the use, rental or operation of the common elements;
- (o) Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy reasonable fines for violations of the Declaration, Bylaws, Rules and Regulations of the Association, to file liens against Lots for monies owed to the Association, and to enforce such liens;
- (p) Impose a reasonable charge for the preparation of status statements concerning the payment and performance status of individual Lot owners, such as may be requested in the event of the sale of a Lot;
- (q) Provide for and maintain Directors' and officers' liability insurance;
- (r) Exercise any other powers conferred by the Declaration or Bylaws;
- (s) Exercise any other power that may be exercised under law by a legal entity of the same type as the Association; and,
- (t) Exercise any other power necessary and proper for the governance and operation of the Association.

Section 4.2 Number, Tenure, and Qualifications. The initial Executive Board shall consist of five Directors, all of whom must be individual persons over the age of 18 who are members in the Association, who shall serve until their successors are elected and qualified. If a Lot owner is a corporation, partnership, limited liability company, trust, or other representative, organization, or entity, such organization or entity may designate a representative who is an individual, and such representative may be elected to the Executive Board. The number of Directors may be changed from time to time by a duly adopted amendment to the Bylaws, except that in no event may the number of Directors be less than three.

Section 4.3 Vacancies. Any Director may resign at any time by giving written notice to the President or to the Secretary of the Association. Such resignation shall take effect immediately unless a different date is specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Executive Board may be filled by affirmative vote of a majority of the remaining Directors though less than a quorum, or may be left vacant until the next annual meeting of the members. Any Director appointed or elected to fill the term of a Director who has resigned or been removed shall be for the remainder of the term of the vacancy.

Section 4.4 Terms and Term Limits. The terms of the initial Directors shall be for one year. Thereafter, the terms of Directors shall be for two years, except that the terms of two of the Directors elected at the first annual meeting of the members of the Association shall be set at one year, so that the terms of the Directors are thereafter staggered. Unless a full board can't be otherwise constituted, Directors shall serve for a maximum of two full (two year) terms, but may be elected again after being off the board for one year.

Section 4.5 Annual and Regular Meetings. A regular meeting of the Executive Board shall be held without other notice than contained in this Bylaw immediately after, and at the same place as, the annual meeting of the members of the Association. The Executive Board may, by resolution, provide for the holding of additional regular meetings, and may, by resolution, from time to time, fix the place and the time of the holding of such regular meetings, and when so fixed no notice of such meetings need be given.

Section 4.6 Special Meetings. Special meetings of the Executive Board may be called by the President or any two Directors. The person or persons authorized to call special meetings of the Executive Board may fix any place in the County of Boulder, Colorado as the place for holding any special meetings of the Executive Board called by them.

Section 4.7 Notice. Reasonable notice of any special meeting of the Executive Board shall be given to each Director personally, or sent by mail, by email, or by any other method of communication reasonably calculated to be received by the Director to whom it is addressed. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting solely for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, or in a waiver of notice of such meeting.

Section 4.8 Quorum and Attendance. A majority of the number of Directors then sitting on the Executive Board shall constitute a quorum for the transaction of business at any meeting of the Executive Board, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time to another date and time. A Director may attend a meeting of the Executive Board by using an electronic or telephonic communication method whereby the Director may be heard by the other Directors and may hear

the deliberations of the other Directors on any matter properly brought before the Executive Board. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

Section 4.9 Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Executive Board.

Section 4.10 Presumption of Assent. A Director who is present at a meeting of the Executive Board at which action on any matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files a written dissent to such action with the Secretary before the adjournment thereof. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 4.11 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting according to the Colorado Nonprofit Corporation Act procedures (7-128-202). Documentation of such action shall be filed with the minutes of the meetings of the Executive Board and shall be made available to homeowners in the same manner as other records of the Association.

## **ARTICLE 5 - OFFICERS**

Section 5.1 Designation. The officers of the Association shall consist of a President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Executive Board and shall themselves be members of the Executive Board. The Executive Board may appoint such other officers as it deems necessary or desirable. Officers shall be chosen in such manner and hold their offices for such terms and have such authority and duties as may be determined by the Executive Board from time to time. In all cases where the duties of any officer are not prescribed by the Bylaws or by the Executive Board, such officer shall follow the orders and instructions of the President.

Section 5.2 President. The President shall, subject to the direction and supervision of the Executive Board, be the chief executive officer of the Corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees. He or she shall represent the Corporation at all meetings of the members of the Association.

Section 5.3 Vice President. In the absence of the President, or upon the inability or disqualification of the President, or at the request of the President or the Executive Board, the Vice President shall perform the duties and have the powers of the President. The Vice President shall have such additional powers and perform such additional duties as may be, from time to time, directed by the Executive Board.

Section 5.4 Secretary. The Secretary shall: (a) keep the minutes of the proceedings of meetings of the members and meetings of the Executive Board; (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 records of the Association and of the seal of the Corporation; (d) keep a record of the names and addresses of all Lot owners; and, (e) in general perform all duties incident to the office of the Secretary and such other duties as, from time to time, may be assigned to him or her by the President or by the Executive Board.

Section 5.5 Treasurer. The Treasurer shall be the principal financial officer of the Corporation and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association, and shall deposit the same in accordance with the instructions of the Executive Board. He or she shall receive and give receipts and acquittances for monies paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls, and other just debts of the Association of whatever nature. He or she shall perform all other duties incident to the office of the Treasurer and, upon request of the President or the Executive Board, shall make such reports as may be required at any time. He or she shall have such other powers and perform such other duties as may be, from time to time, prescribed by the Executive Board or the President.

## **ARTICLE 6 - EXECUTION OF INSTRUMENTS**

Section 6.1 Execution of Instruments. The President, and in his or her stead the Vice President, shall have power to execute on behalf and in the name of the Corporation any document or instrument requiring the signature of an officer of the Corporation, except where the signing and execution thereof shall be expressly delegated by the Executive Board to some other officer or agent of the Corporation. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Corporation or Association in any way, to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

Section 6.2 Checks and Endorsements. All checks and drafts upon the funds to the credit of the Association in any of its depositories shall be signed by such of its officers or agents as shall, from time to time, be determined by resolution of the Executive Board, which may provide for the use of facsimile signatures under specific conditions, and all notes, bills, receivables, trade acceptances, drafts and other evidences of indebtedness payable to the Association shall, for the purpose of deposit or collection, be endorsed by such officers or agents of the Association or in such manner as shall, from time to time, be determined by resolution of the Executive Board.

## **ARTICLE 7 - INDEMNIFICATION**

Section 7.1 Indemnification. The Association shall indemnify any Director or officer who was, is, or may be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation or Association, by reason of the fact that he or she is or was a Director or officer of the Corporation or Association, regardless of whether the basis of any claim against a Director or officer, or whether any action or inaction by a Director or officer is expressly or implicitly authorized by the powers set forth herein, against expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with the action, suit, proceeding or

investigation, and any judgments, fines and amounts paid in settlement, so long as he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and so long as, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

## **ARTICLE 8 - RECORDS**

Section 8.1 Records. The Association shall maintain records of its activities and finances in accordance with the Colorado Common Interest Community Act.

Section 8.2 Examination. All records maintained by the Association shall be available for examination and copying by any Lot Owner after reasonable notice at the expense of the Lot owner.

## **ARTICLE 9 - MISCELLANEOUS**

Section 9.1 Seal. The seal of the Corporation shall be in a form as approved by the Executive Board.

Section 9.2 Fiscal Year. The fiscal year of the Corporation shall be as adopted and determined by the Executive Board, or in the absence of action by the Board the fiscal year shall be the calendar year.

Section 9.3 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

## **CERTIFICATE OF SECRETARY**

I hereby certify that the foregoing Bylaws, consisting of 8 pages, including this page constitute the Bylaws of Somerset Estates Homeowners Association, adopted by the Executive Board as of \_\_\_\_\_, 2018.

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Susan Reilly, Secretary