

Arrowhead in Gunnison Country Arrowhead Improvements Association



BY LAWS

ADOPTED MAY 15, 2004

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ARROWHEAD IMPROVEMENTS ASSOCIATION, INC.

BY LAWS

ARTICLE 1. THE ASSOCIATION

1.1 Principal Office

The principal office of the Arrowhead Improvements Association, Inc. Association shall be as designated by the Board of Directors, and published to owners.

The principal office shall be the location of all the official documents of the Association, including, but not limited to, a membership list, minutes of meetings of the Board and of member, notices, publications, and financial records as appropriate. All records shall be open to review by owners upon reasonable notice. Owners may obtain copies of official documents upon written request, at a reasonable cost established by the Board sufficient to reimburse the Association for the cost of copying.

1.2 Other offices

The Association shall have such other offices, either within or outside the State of Colorado, as the Board may from time to time designate.

1.3 Fiscal Year

The fiscal year of the Association shall be the calendar year.

ARTICLE 2. MEMBERS

2.1 Membership

There shall be one membership in the Association for each residential site. Site, as the term is defined in the Declaration of Protective Covenants and Restrictions of Arrowhead in Gunnison County Covenants, which is duly recorded in the records of the County Clerk and Recorder of Gunnison County, Colorado. Ownership of a site carries with it compulsory membership in the Association.

All individuals who are beneficial owners of a site, or of an interest in a site, which is a member of the Association shall be referred to as an owner in these By Laws. The owner shall be entitled to full participation in all of the activities and affairs of the Association, except that only one designated owner may vote the membership vote for each site.

2.2 Transfer of Membership

Membership in the Association is associated with a site and cannot be sold, transferred or alienated in any manner, except in connection with the sale of a site. Any new owner of a site is required to submit evidence of transfer of title (a copy of the recorded deed) to the secretary of the Association who shall change the records of the Association to reflect the new site ownership. Until the secretary has received such evidence of transfer of a site, the Association shall be entitled to treat the person, or persons who are shown as owners of the site on its records as the owner.

2.3 Voting

Each site owner shall have one vote in all matters in which a vote of owner sites is required or permitted by the Covenants, Articles of Incorporation or By Laws of the Association, or by the Statutes of the State of Colorado. Developer sites, as defined in the Covenants, that is unsold lots shall not be entitled to vote (as the developer does not pay dues on the unsold sites.) If one individual owns a site, the owner shall be entitled to cast the vote of that site. If two or more individuals own a site, all owners must designate in writing to the Association, The name and address of one owner who shall be entitled to cast the vote of the site.

If a site is owned by a trust, corporation, partnership, or other form of legal entity, the authorized board of directors, trustee, or other authorized officer of that entity must designate in writing to the Association, in a form acceptable to the Association, the name and address of the individual who is authorized to act for the entity, and that individual shall be entitled to cast the vote of the site.

It shall be the sole responsibility of the owner (s) of a site to provide the designation required by this section in writing to the Association office, including the name and mailing address of the voting owner for each site. Failure to provide the designation required by this Article may result in loss of the voting privilege.

The Association may suspend the voting rights of the site owner for:

- A. Failure to comply with the Covenants,
- B. Failure to be current in Association dues, or
- C. Failure to pay fines or other assessments, which have been lawfully imposed by the Board.

2.4 Vote required for Approval

- A. A quorum of sixty (60) percent of the member sites authorized to vote is required for an official election, in which an affirmative vote of more than fifty (50) percent is required for approval of the following:
 1. Increase the annual assessment.
 2. Make capital improvements in excess of \$100,00.
 3. Levy special assessments.
 4. Dissolve the Association.

2.5 Voting Procedures for Owners

All votes of site owners on any matter shall be done by mail. Owner votes on any matters which are required or permitted by the Covenants, Articles of Incorporation, By Laws or the Statutes of the State of Colorado, shall be done in accordance with the following procedures:

- A. The Board shall declare by resolution that a vote of the owner sites is desirable or necessary in accordance with law, and such resolution shall contain a notice to owners which shall set forth:
 1. An explanation of the election or action to be voted on and the reasons, which have been advanced, both for and against the action.
 2. The recommendation of the Board on proposed actions other than elections and the position of each board member either for or against the action.
 3. The date, notice, and a ballot are to be sent to site owners, which shall be at least forty-five (45) days prior to the last day of voting, and the date on which voting shall be closed. The Board, in its discretion, may direct that other written materials be included with the notice, such as biographies and statements of intent of candidates in elections, and in the case of other proposed actions the Board may include other written materials, which are necessary or useful to members in casting an informed vote. The Board shall use utmost care in assuring that such materials are balanced and present all reasonable points of view in a fair manner.

- B. The Secretary of the Association shall, by the date specified in Board's notice with the concurrence and assistance of the Voting Committee described below, mail to each owner authorized to vote:
 1. A copy of the Board's notice,
 2. A ballot clearly designed to include the names of all candidates in an election, or in the case of voted other than the election or recall of Directors, clearly marked to allow a vote either for or against the proposed action,
 3. A return envelope, and
 4. Such other written material as the Board may direct.

- C. The Board shall appoint a Voting Committee at the first meeting in the calendar year, Which committee shall serve for one year and shall consist of the Secretary of the Association, who shall be chairperson, and two or more other owners who are not board members. The Voting Committee shall oversee election of board members, recall elections, and voting by ballot on any other issue properly brought before the membership.

- D. Regarding uncontested elections for the Board, the candidates may be affirmed to succeed by a majority vote of the Board, provided such proceedings are in accord with the Statutes of the State of Colorado.

ARTICLE 3. BOARD OF DIRECTORS

3.1 Powers and Purpose of the Board of Directors

The Board shall be the governing body of the Association and in general shall establish policy and

conduct the business of the Association. The Board shall have all of the power and authority granted by the Covenants, Articles of Incorporation, By Laws, and the Statutes of the State of Colorado, except for those matters that are specifically reserved for the site owners.

In carrying out its duties and exercising its lawful authority, the Board may authorize any officer or agent of the Association to enter into any contract, or execute or deliver any instrument in the name of the Association. The Board may fix, levy, and collect assessments and fees in accordance with the procedures required by the Covenants, the Articles of Incorporation, Arrowhead Improvements Association Regulations, or the By Laws.

The Board shall establish an annual budget, and authorize payment of any said budget items. Certain expenditures and assessments as well as conveyances or encumbrances of Association property may only be done after a vote of the Board in compliance with the requirements of the Covenants, the Articles of Incorporation, Regulations, and these By Laws.

3.2 Number and Qualifications

The Board shall consist of seven (7) or more members, as determined by the Board. The members of the Board must be of the age of majority, and must be an owner of a site. Directors are not required to be residents neither of the Arrowhead community nor of the Stat of Colorado.

3.3 Term of Office

Directors shall be elected for a term of three (3) years. The term of office of Directors shall be staggered so that two (2) Director's terms expire each year, and every third year, three (3) Director's terms expire. Directors appointed to fill a vacancy for an office shall serve for the unexpired term of that vacancy. A term of office shall be limited to two (2) consecutive three (3) year terms. When a site owner replaces a Director and completes that particular term, that term will not be considered one (1) of the two (2) consecutive terms as discussed above if the unexpired term is less than three (3) full years. A Director, after serving two (2) terms, then being off the Board for one (1) year or more, may apply for candidacy for another term. Directors shall serve only until resignation, recall, or expiration or their term of office.

3.4 Resignation of Directors

Any Director may resign by submitting a written notice to the Board stating the effective date of his/her resignation.

3.5 Vacancies on the Board of Directors

Any vacancy on the Board resulting from resignation, death or other cause may be filled by the affirmative vote of a majority of the remaining Directors, even if such vote is less than a quorum of a full constituted Board. Directors, appointed to fill vacancies on the Board shall serve for the unexpired term of that vacancy.

3.6 Meetings

All meetings of the Board shall be open to owners. The Secretary shall record the minutes of all meetings of the Board, and promptly after such minutes are approved by the Board, such minutes shall be filed in the office of the Association and available to all owners for inspection.

3.6.1 Regular Meetings

A schedule of regular meetings of the Board shall be established by the Board annually at the last regular meeting of the calendar year and notice published to the site owners of the time and location of such meetings. The Board shall give all owners a reasonable opportunity to present matters to the Board. Any action taken by the Board in open meeting shall be by voice vote and the results recorded in the minutes. In the case of replacing Directors, such a vote shall be by written ballot, and the end result recorded.

3.6.2 Special Meetings

The President, or upon written request by any two (2) Directors, delivered to the Secretary of the Association, may call a special meeting. Any special meeting shall require that at least five (5) days prior notice be given to all Directors which notice shall include a statement of the business to be conducted at such meeting.

3.6.3 General Assembly-Special Meetings

Upon written petition, signed by at least one hundred (100) authorized and designated site owners of the Association, the President shall call a special meeting of the Board to consider matters set forth in such petition. Any special meeting shall require that at least thirty (30) days prior notice be given to all Directors which notice shall include a statement of the business to be conducted at such meeting. Such notice shall be by letter, e-mail, or by telephone directly with each Director, and if by telephone, a written memorandum of such notice shall be kept by the person giving the notice. Notification to site owners who signed the petition for the General Assembly-Special Meeting with the Board will be the responsibility of the petitioners.

3.6.4 Action by Majority Written Consent

In emergency circumstances, where the interests of the Association require, the Board may take action by majority written consent which must be filed with the Secretary of the Association, reported, and attached to the minutes of the regular meeting of the Board. Written consent by facsimile (FAX) will be accepted in these emergency circumstances. Voting action will not be taken when telephone meetings are utilized. Majority is clarified, as all Board Members may vote and a majority vote prevails.

3.6.5 Executive Sessions

On request by the President or a majority of the Board, the Board may hold executive sessions to discuss matters, which are sensitive or confidential, such as personnel matter, litigation, or matters that involve personal charges. The purpose of the executive session is to avoid public discussion of matters that might cause undue personal harm to individuals, and to permit open and frank discussion by the Board of sensitive matters.

3.6.6 Annual Meeting of Owners

An annual meeting of owners shall be held on a date designated by the Board. The Board shall give notice of the date and place of the meeting to the owners at least sixty (60) days prior to the meeting. The purpose of the annual meeting of owners shall be to provide a forum for owners to discuss issues, ask questions of the Board, make recommendations to the Board, and otherwise provide an open forum for discussion by owners on issues of interest to the Association. Because of the dispersed ownership of sites, and the substantial number of part-time residents it is never expected that a quorum of owners will be able to attend the annual meeting, and therefore no binding vote of the owners will take place at such meetings. However, the owners attending the meeting may discuss and vote on non-binding recommendations to the Board, which shall thereafter be considered by the Board.

3.7 Quorum

At any properly scheduled meeting of the Board, four (4) Directors shall constitute a quorum to conduct business of the Association. The act of a majority of the Directors present at a meeting at which a quorum is present shall be an act of the Board, except as otherwise specifically required by the Covenants, the Articles of Incorporation, the By Laws, or the Statutes of the State of Colorado.

3.8 Committees of the Board

The Board may appoint committees for purposes of furthering the Association's business from time to time, as the Board deems advisable. All committee meetings shall be open to all owners. Committees shall have the authority granted to them by the Board. Each Committee shall regularly report to the Board.

3.9 Compensation of Directors

The Board may establish reasonable compensation for Directors and reimbursement of direct expenses incurred on Association business. All compensation or reimbursement of expenses of Directors must be approved by resolution of the Board at a regular meeting.

3.10 Publication of Board Notices

All notices required to be given to owners by the Covenants, Articles of Incorporation, By Laws or the Statutes of the State of Colorado shall be given by mail. All other notices directed by the Board shall be given by mail, minutes of Board meetings, Association publications, and internet website or in such other manner as the Board in its discretion finds to be appropriate.

3.11 Directors may be removed from office in the manner provided in this section.

The entire Board or any number of Directors may be removed from office with or without cause by the proper execution of the recall procedure described below:

- A. Petitioner: Any three (3) or more qualified owners may circulate a petition calling for a recall of any one (1) or more Directors to be named on the petition. The petitioners will be known as the Recall Committee. The petitioners must register their intentions to circulate such petition with the Secretary of the Association before circulation any petition. The signed petition must be returned to the Association Office no later than ninety (90) days after registering their intentions to circulate the same.
- B. Petition: The petition must state, "This petition is being circulated to request the recall of the following named Director(s) of the Arrowhead Improvements Association, Inc." It must also state "This petition not valid after ninety (90) days fro the date it was registered with the Association." The termination date must be stated.
- C. Petition signatures: The required number of signatures on the petition must be at least twelve (12) percent of the eligible owners. The signers must print or type their name and address and, state the lot, block, and filing of all lots at Arrowhead which they own.
- D. Recall Election: If the petition is returned to the Association Office in the allotted time with a sufficient number of authorized signatures, the Association must, within thirty (30) days, conduct a recall election under the following conditions.
 1. The Voting Committee must validate all signatures as being owners in good Standing.
 2. The recall vote must be conducted using the same procedures and guile lines at Used in an election of Directors, including mail-in-ballots.
 3. The Recall Committee may at their discretion appoint not more than two (2) owners to witness the preparation for the recall election (stuffing envelopes for mailing and the actual mailing) and may also witness the tabulation of counting of the ballots.
 4. The ballot: The ballot shall state: "Shall Director _____ be Recalled?" A box to mark Yes or No shall be provided. The same question must be asked individually for each of the Directors being petitioned for recall.
 5. Tabulation of the votes: A majority affirmative (yes) vote of the ballots actually cast will be required to recall.
- E. Election following a recall: Should a recall prevail, the affected Director(s) must step down immediately upon receiving notification from the Voting Committee. The remaining Board member(s) (if any) must conduct an election to replace recalled Director(s) within forty-five (45) days of the recall. This election shall be held in compliance with the procedures governing annual election of Directors except to the extent modified by these specific recall procedures.
- F. In the event that the entire Board is recalled, the Recall Committee shall act temporarily in place of the Board to conduct the election of new Directors, in accordance with the provisions of the section of the By Laws. Conduct of day-to-day business of the Association will continue, utilizing consultants of the Association. The members of the Recall Committee, or established consultants, shall assist the non-board members of the Voting Committee in conducting the election of the new Board following procedural format.

ARTICLE 4. OFFICERS

4.1 General

The officers of the Association shall consist of a President, a Vice President, a Secretary, and a Treasurer. All officers shall be elected annually by the Board at the last regular meeting of the calendar year and shall serve for an annual term of the next fiscal year. The Board shall appoint such other assistant officers, agents, and employees, as it may deem necessary or desirable. All Officers of the Association must be Directors and owners of sites.

4.2 Resignation, Removal, and Vacancies

Any officer may resign at any time by giving written notice thereof to the Board. Such resignation shall take effect on the date specified therein and no acceptance of the same shall be necessary to render the same effective.

Any officer may at any time be removed by affirmative vote of two-thirds (2/3) of the Directors present at any Board meeting at which a quorum is present.

If any office becomes vacant for any reason, the Board may fill the vacancy. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his/ her predecessor.

4.3 Powers and Duties of Officers

- A. President: The president shall be the principal executive officer of the Association and Subject to the control of the Board, shall direct, supervise, coordinate, and have general control over the affairs of the Association. The President shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board and of owners.
- B. Vice President: The vice President shall act in place of the President in case of his/her Death, absence, inability or failure to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board or by the President.
- C. Secretary: The Secretary:
 - 1. Shall be the custodian of the records and the seal of the Association and shall Affix the seal to all documents requiring the same.
 - 2. Shall see that all notices are duly given in accordance with provisions of these By Laws, the Board, and as required by law.
 - 3. Shall be responsible to see that the books, reports and other documents and records of the Association are properly kept and filed.
 - 4. Shall take and prepare the minutes of meetings of the Board and of the owners.
 - 5. Shall keep at the registered office of the Association a record of the names and addresses of the owners and of the owners designated to vote for a site.
 - 6. Shall act as the chairperson of the Voting Committee.
 - 7. And in general shall perform all duties incident to the office of Secretary, or as may be assigned to him/her from time to time by the board or the President. The

Board may appoint one or more assistant secretaries, who may act in place of the Secretary, in case of his/her death, absence, or inability or failure to act.

- D. Treasurer: The Treasurer shall be responsible for overseeing funds and other assets of the Association. The Treasurer shall monitor any outside accounting firm keeping transactions, of the Association and shall arrange for submittal of reports to the Board at each meeting. The Treasurer shall be responsible for seeing that an annual budget is prepared at the beginning of each fiscal year. In general the Treasurer shall perform the duties incident to the office of the Treasurer, and such other duties as may, from time to time be assigned to him/her by the Board or by the President.

4.4 Compensation of Officers

Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of an officer, agent, or employee shall not of itself create contractual rights to compensation for services performed by such officer, agent, or employee.

4.5 Indemnification of Officers

The Association shall indemnify any director or member of a committee formed by the Association, (indemnified person), against any liability incurred while serving the Association if the indemnified party (1) conducted himself/herself in good faith, (2) reasonably believed that his/her conduct was in the best interests of the Association or at least not opposed to the best interests of the Association, and (3) had no reason to believe that his/her conduct was unlawful and no personal benefit was improperly received.

No Indemnified person shall be personally liable to the owners for any mistake of judgment or for any acts or omissions while serving the Association except those found by a court to constitute gross negligence or fraud.

ARTICLE 5 ASSESSMENTS OF MEMBERS

5.1 Assessments

The Board shall fix, levy, and collect annual and special assessments in the manner and for the purposes specified in the Covenants, and the owners shall pay assessments as therein provided.

ARTICLE 6 AMENDMENTS

6.1 Articles of Incorporation

Amendments may be made to the Articles of Incorporation by the affirmative vote of seventy-five (75) percent of the Directors.

6.2 By Laws

Amendments may be made to the By Laws by the affirmative of seventy-five (75) percent of the Directors.

6.3 Limitation to Amendments

No amendment of the Articles of Incorporation or the By Laws shall be contrary to or inconsistent with any provision of the Covenants.

Revised and Approved: 5/15/04
AIA Board of Directors