

**BYLAWS of the
ZAPATA HOMEOWNERS ASSOCIATION**

Revised: August 2007

All previous bylaws of the Zapata Homeowners Association (ZHA) are hereby rescinded and declared null and void.

The purpose of these bylaws is to define the organizational structure and rules that govern the ZHA and to outline general duties of the board of directors.

**ARTICLE I
Object**

The purpose of the ZHA, under the articles of incorporation and covenants, is to insure the best use and the most appropriate development and improvement of the Zapata Subdivision. The articles of incorporation further define the purpose:

- A. To manage the common area for the mutual benefit of all property owners, to maintain all roads, and generally to be an organization to promote, encourage and facilitate good relationships in a pleasant environment in the Zapata Subdivision in Alamosa County, Colorado;
- B. To enter into, make, perform and carry out contracts of every sort and kind which may be necessary or convenient for the business of this corporation with any person, firm, corporation, whatever private, public or municipal, body politic, any state, territory or municipality of the United States; and
- C. For any other purposes permitted a non-profit, tax-exempt corporation under the laws of the State of Colorado.

**ARTICLE II
Members**

Section 1. The covenants require that all owners of property in the Zapata Subdivision be members of the ZHA whether or not their property includes a dwelling. Members shall be any person, group, corporation, or others owning or holding title to one or more lots/tracts (called lots hereafter) in the Zapata Subdivision.

Section 2. Multiple Owners: If more than one person owns a lot, all of said persons shall be considered members of the association. Regardless of the number of members, there shall be one (1) vote assigned to each assessment. Fractional voting by multiple owners is prohibited.

Section 3. Members in Good Standing: A member in good standing is a member who owns at least one lot in the Zapata Subdivision and is current on all fees, assessments, and fines. Members in good standing shall be eligible to vote, serve on committees, and participate in any other activities authorized by these bylaws. To be elected or appointed to the Board one must be a member in good standing, and a natural person.

Section 4. Voting Rights:

- a) Voting Eligibility: Voting privileges at the annual meeting and any special meetings of the membership will have the requirement that a) assessments are fully paid at least thirty (30) days prior to said meeting and b) the ownership of the lot(s) for which said member bases voting privilege shall be recorded with the Alamosa County Clerk and Recorder at least thirty (30) days prior to the meeting.
- b) Number of Votes: At meetings of the membership and in petitions by the membership, each member shall have one vote for each assessment paid by said member on which assessments, as defined in policy, are current. Voting by multiple owners of a unit or units shall be governed by CRS § 38-33.3-310(1). Consistent with that statutory provision, if only one of the multiple owners of a unit or units is present at a meeting of the ZHA, such owner is entitled to cast all the votes allocated to that unit or units. If more than one of the multiple owners is present, the votes allocated to that unit or units shall be cast in accordance with the agreement of a majority interest of these owners. There is majority agreement if any one of the multiple owners casts the votes allocated to that unit or units without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit or units.
- c) Voting by Proxy: Members in good standing may assign voting privileges by signed proxy only to another member in good standing subject to the provisions in CRS 38-33.3-310. Proxies must be assigned to an individual member and cannot be assigned to the board as an entity.

ARTICLE III
Officers

The officers of the board of directors shall be a chairman, a vice chairman, a secretary, and a treasurer and such other officers as may be appointed in accordance with these bylaws. Officers should have a basic understanding of the laws that govern this association and the association's governing documents. The same person cannot hold the offices of chairman and secretary.

Section 1. Chairman: The chairman shall preside at all meetings of the Board, and shall have the general powers and duties of management usually vested in the office of president of a corporation, together with such other powers and duties as may be prescribed by the Board or these bylaws. The chairman, or his designee, oversees operations, including supervision of employees. The chairman acts as the official spokesman for the Board, protects the assets of the ZHA, and is the person authorized to sign for the ZHA when a signature is required for legal documents.

Section 2. Vice Chairman: In the absence of the chairman, the vice chairman shall perform all the duties of the chairman, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the chairman. He or she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these bylaws.

Section 3. Secretary: The secretary, or the Board's designee, shall keep at the principal office or such other place as the Board may order, a book of minutes of all business meetings of the Board and members, with the time and place of holding same, whether regular or special, and, if special, how authorized, the notice given, the names of directors present at meetings, the number of members present in person, by absentee ballot, or by proxy at membership meetings, and the proceedings thereof. The secretary, or said designee, shall prepare and publish board meeting agendas and shall give notice of all meetings of the Board required by the bylaws or by law to be given. The secretary, or said designee, shall keep appropriate current records showing the members of the ZHA, together with their addresses. The secretary, or said designee, shall witness and verify signatures, verify proxies, file governmental forms, manage correspondence and keep the seal of the ZHA in safe custody.

While the above duties may be performed by a designee, the secretary alone shall sign legal documents as secretary of the corporation, ensure electronic back ups of ZHA records are kept in safe custody, and have such other powers and perform such other duties as may be prescribed by the Board or by the bylaws.

Section 4. Treasurer: The treasurer, or the Board's designee, shall keep and maintain adequate and correct accounts of the properties and business transactions of the ZHA, including accounts of its assets, liabilities, receipts and disbursements. The books of accounts shall at all reasonable times be open to inspection by any director or member. The treasurer, or the Board's designee, shall deposit all monies and other valuables in the name of and to the credit of the ZHA with such depositories as may be designated by the Board. The treasurer, or the Board's designee, shall disburse the funds of the ZHA as may be ordered by the Board and shall render to the chairman and directors, whenever they request it, an account of all of the treasurer's transactions and of the financial condition of the ZHA. The treasurer shall oversee the development of the annual and long-term budgets, implementation of a reserve program, independent review of financial records, and have such other powers and perform such other duties as may be prescribed by the Board or the bylaws.

Section 5. Other Officers: Other officers may be designated by the Board as needed.

Section 6. Officer Election and Term of Office: Officers of the Board shall be elected annually by the Board at the first regular meeting following the annual membership meeting and will serve for one year. In case any officer vacancy occurs because of death, resignation, or disqualification, the board of directors may, by vote of a majority of the Board, elect an officer to fill such vacancy for the unexpired portion of the term. The officer so elected will hold office until the next election of the board of directors.

ARTICLE IV

Meetings

Section 1. Meetings: All meetings of the ZHA and board of directors are open to every member of the ZHA or to any person designated by a member in writing as the member's representative. The board of directors may hold an executive or closed-door session and may restrict attendance to the board of directors and such other persons requested by the Board during a regular or specially announced meeting or a part thereof upon majority vote of the Board. (CRS 38-33.3-308(4)) The matters to be discussed at such an executive session are limited to:

- a) Matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association;
- b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- c) Investigative proceedings concerning possible or actual criminal misconduct;
- d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- f) Review of or discussion relating to any written or oral communication from legal counsel.

Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

Prior to the time the directors convene in executive session, the chairman shall announce the general matter of discussion as enumerated in paragraphs a) to f) of this section.

No rule or regulation of the Board thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session.

The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

Section 2. Annual Membership Meeting: An annual meeting of the members of the ZHA shall be held the first Saturday of August of each year. The annual meeting shall be the forum for electing the board of directors and during which policy decisions for the forthcoming year shall be discussed. (CRS 38-33.3-308)

- a) Notice of Meeting: Notice of the annual meeting of the ZHA shall be made at least thirty (30), but no more than fifty (50), days prior to such meeting by mailing such notice to members of the ZHA at their last known address as shown by the records of the ZHA. Any member may waive notice, by his assent in writing to the Board. Notice of the meeting also shall be posted on the ZHA Website and on the ZHA bulletin board. (CRS 38-33.3-308)
- b) Agenda: The agenda will be included with the notice. Standing agenda items will be election of board of directors to fill vacancies, proposed changes to the bylaws and covenants, and any other necessary business.
- c) Place of Meeting: The meeting shall be held at a designated site in the Zapata Subdivision unless otherwise specified in the notice calling any such meeting, or in any waiver of notice of such meeting.
- d) Quorum: A quorum shall be deemed present if persons entitled to cast twenty-five (25) percent of the votes which may be cast are present, in person or by proxy, at the beginning of the meeting.
- e) Voting: All voting by the membership will be by a simple majority of those voting in person or by proxy, unless specified otherwise within these bylaws or the covenants.
- f) Election of Board of Directors: Votes for positions on the board of directors shall be taken by secret ballot and upon the request of one or more property owners, a vote on any other matter affecting the common interest community on which all property owners are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a property owner who is not a candidate, who attends the meeting at which the vote is held, and who is selected at random from a pool of two or more such unit owners. The results of the vote shall be reported without reference to names, addresses, or other identifying information. (CRS 38-33.3-310)

Section 3. Special Meetings of the Membership: Special meetings of the membership may be called by the chairman, by a majority of the board of directors, or by the membership representing at least twenty (20) percent of the assessments in the ZHA. (CRS 38-33.3-308) Special meetings will be governed in the same manner as the annual meeting.

Section 4. Board Meetings: Board meetings shall be held on a monthly basis.

- a) Notice of Meeting: Notice of the meeting shall be posted on the ZHA Website.
- b) Place of Meeting: The place of the meeting shall be designated by a majority of the Board.
- c) Quorum: A majority of the Board must be present at a board meeting to establish a quorum.
- d) Agenda: The agenda will be distributed to the board of directors at least three (3) days prior to the meeting. The secretary or the board's designee shall include on the agenda any new business matter that is determined by the Board or is requested in writing by members of the ZHA. Any item of business that originates from the Board, from a committee, or from any other legitimate source must be submitted seven days prior to a Board meeting to be placed on the agenda. Supporting documentation for these items must also be received seven (7) days prior to the

Section 5. Special Board Meetings. Special meetings of the Board may be held whenever called by the chairman or by a majority of the board of directors at such place as the persons calling the meeting may designate. Notice of each meeting shall be hand-delivered, mailed, faxed, or e-mailed to each director at least seven (7) days prior to the meeting. Notice shall state the time, place and purpose of the meeting. The Board may vote unanimously to waive the notice provision when all directors are in agreement as to the scheduling of a special meeting. Special meetings of the board shall be open meetings. Notice of special board meetings shall be posted on the ZHA Website and on the ZHA bulletin board. Special meetings will be governed in the same manner as the monthly board meeting.

Section 6. Committee Meetings: Each committee shall meet at least quarterly.

- a) Notice of Meeting: Notice of the meeting shall be given seven (7) day prior to the meeting and posted on the ZHA Website.
- b) Place of Meeting: The place of the meeting shall be designated by a majority of the committee members.
- c) Quorum: A quorum is not needed.
- d) Agenda: The agenda will be distributed to all committee members at least five (5) days prior to the meeting.

ARTICLE V

Board of Directors

Section 1. Role of the Board: The role of the board of directors is to enforce all governing documents, to manage the affairs of the ZHA, and to build the social and civic well being of the community. The board of directors shall work in the best interest of the entire community.

Section 2. Scope and Purpose: The Board is responsible to the membership of the ZHA. It represents the ZHA members in policy and procedural matters. It shall serve as a forum where ZHA members and the Board may present and discuss issues of interest to them or issues which have not been resolved by other means. The Board shall be guided by the ZHA policies.

Section 3. Board Policies:

- a) The Board shall have the authority and duty to develop, interpret, and enforce policies which are consistent with these bylaws, covenants, and public laws.
- b) Petition to Change Board Policies: The ZHA membership upon presentation of a petition to the Board bearing the signatures of the members in good standing of twenty-five (25) percent of the assessments may request a change in any Board policy. Within thirty (30) days after verification of the signatures and verification that the petition is consistent with the covenants and these bylaws, the Board must, by

first-class mail or by calling a special meeting of the membership, conduct a vote by the membership on the petition.

Section 4. Number and Terms: The Board shall consist of not less than five (5) nor more than seven (7) members in good standing. The number will be designated at the annual membership meeting. Directors shall serve staggered three-year terms and be elected by the membership at the annual meeting. If there are more than two nominees for a director position, the vote will be by plurality.

Section 5. Proxy: A director may, by way of a written proxy, authorize another director to vote in that director's behalf. The proxy must designate the voting timeframe for which the proxy is valid and cannot exceed one (1) month. A proxy authorization does not constitute being present at the meeting.

Section 6. Off-Site Participation: Directors may participate, by discussion and voting, in any meeting if they are able to communicate via telephone or other interactive media during the course of the meeting. Participation by the absent director must be heard by all meeting attendees and must be recorded with the proceedings of the meeting.

Section 7. Action Without a Meeting/Vote Required: If a situation arises relating to the management of the subdivision that requires resolution prior to the next board meeting, a motion may be brought to the Board by a director via e-mail, phone, or facsimile. The director will notify the administrator, who will contact each director regarding the motion. The motion will be posted on the Website and such other place as the Board or administrator may designate. Response from the directors must be received within a timeframe specified in the motion, no less than twenty-four (24) hours. Every director must vote or abstain, and must waive the right to demand that action not be taken without a meeting. Action is taken under this section only if the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. A director's right to demand that action not be taken without a meeting shall be deemed to have been waived if the ZHA receives a writing satisfying the requirements of CRS § 7-128-202(1) that has been signed by the director and not revoked as provided below. In the absence of the administrator, the (1) secretary, (2) chairman, (3) vice chairman, and (4) treasurer, in this respective order, will be responsible for polling the Board. Each director is responsible for ensuring the administrator has his preferable contact medium (e-mail, phone, or facsimile) for these situations. A director may revoke a decision but the revocation must be in writing, dated and received by the ZHA before the first decision is required to take effect. Such actions taken by the Board must be addressed at the next board meeting. The action must be recorded and filed with the minutes of that meeting.

Section 8. Records: The Board shall maintain a written record of its meetings. Further, all meetings shall be recorded on tape or other media and such recordings retained for no less than three (3) years. Copies of such minutes shall be distributed to all directors at least three (3) days prior to the next meeting. The ZHA shall keep and make available to the membership all records in compliance with CRS 38-33.3-317.

Section 9. Actions of the Board of Directors: All board meetings will be conducted according to procedures specified in C.R.S. § 38-33.3-308(2). The directors shall act only as a group and can take no action individually except with the explicit approval of the Board. The Board may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, but such authority must be evidenced by written resolution.

Section 10. Notice and Disclosure: Communication regarding board activities, committee activities, and ZHA finances shall be distributed to the membership in accordance with CRS 38-33.3-209.4. Said correspondence shall be in the form of a quarterly newsletter and other appropriate format.

Section 11. Conflict of Interest: If any contract, decision, or other action taken by or on behalf of the Board that would financially benefit any director or any person who is a parent, grandparent, spouse, child, or sibling of a director, that director shall declare a conflict of interest for that issue. The director shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the director may participate in the discussion but shall not vote on that issue. Any contract entered into in violation of this section is void and unenforceable. (CRS 38-33.3-310.5)

Section 12. Compensation: No director shall be compensated for participating on the Board. Directors may be reimbursed for approved expenses incurred on behalf of the ZHA. A director, or any entity with which a director is associated, may be compensated by the ZHA for services or supplies furnished. Approval of compensation shall be pursuant to Section 11, Conflict of Interest.

Section 13. Vacancies: Vacancies due to the expiration of term of office shall be filled by election and vote of the membership at the annual meeting. In case any vacancy shall occur in the board of directors because of death, resignation, disqualification, an increase in the number of directors or any other cause, the board of directors may, at any regular meeting thereof, by vote of a majority of the directors in office at the time of such meeting, elect a director to fill such vacancy for the unexpired portion of the term. The director so elected shall hold office until the next annual membership meeting, at which time the position must be either confirmed by the membership or a successor elected by the membership to fill the remaining term. The Board may never be fewer than five (5) directors. If a vacancy occurs that drops the number of directors below five (5), the board must fill the position.

Section 14. Absences: If a director is absent from three consecutive regular board meetings, the Board may, by a two-thirds majority, exclude the subject director and declare that director's position vacant. The vacancy cannot be filled until the next board meeting.

Section 15. Recall of Directors:

- a) **By Membership:** A petition to the Board bearing the signatures of the payers of twenty-five (25) percent of the assessments in good standing shall cause a recall election within thirty (30) days of receipt and verification of the petition by the Board. The recall election will be held by first-class mail with a quorum of twenty-five (25) percent of the assessments required. A simple majority of those voting for recall is required. If the recall passes, the Board then will declare the director position vacant and may appoint a new ZHA member in good standing to fill the position until the next annual ZHA membership meeting.
- b) **By the Board of Directors:** Any director may be removed by the Board whenever, in its judgment, the best interests of the ZHA would be served thereby.

ARTICLE VI Committees

Committees have an intrinsic function in the ZHA, contributing to strategic planning and in reporting to the Board. Committees include Governance, Architectural, Water, Fees and Budget, Fire, Physical Improvements, Communications, and others as necessary. Committee members are volunteers and serve at the pleasure of the board of directors. Committee terms are one year.

ARTICLE VII Parliamentary Authority

Robert's Rules of Order shall prevail in all matters not specified in these bylaws.

ARTICLE VIII Amendment of Bylaws

Section 1. **Changes to the Bylaws:** These bylaws shall be subject to amendment or repeal by the membership at the annual meeting. Prior to the annual meeting, proponents of said changes must present a petition to the board bearing the signatures of the owners in good standing of twenty-five (25) percent of the assessments. The secretary will verify the signatures and consistency of the petition with the covenants. The Board, on its own initiative, may propose amendments to or repeal of the bylaws at an annual meeting. In either case, the membership must be given notice of proposed changes in the notice for the annual meeting.

Section 2. **Majority Required for Changes to Bylaws:** If a quorum is established at the annual meeting, a simple majority of the membership voting in person or by proxy is required to change these bylaws.

ARTICLE IX Assessments and Budget

Section 1. **Fiscal Year:** The fiscal year of the ZHA shall be from January 1 to December 31.

Section 2. Annual Assessments: In order to carry out the requirements of the covenants, the Board is authorized to determine and assess reasonable assessments based upon the strategic plan and line-item budget.

Section 3. Special Assessments: The Board may levy a special assessment on the membership. A justification for the special assessment shall be developed and include a description of the need and a corresponding line-item budget. At least forty-five (45) days' notice, by hand-delivery or certified mail, must be given. The notice shall include the justification documents. If payment is not made, a lien against the property may be filed after sixty (60) days after the due date for the assessment.

Section 4. Collection of Assessments.

- a) Liens: The Board shall have the authority to place liens on property for unpaid assessments.
- b) Reasonable Fees and Collection Costs: If a member fails to pay assessments or any other money or sums due to the ZHA in a timely manner, the ZHA may require reimbursement for collection costs and reasonable attorneys' fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding. The reasonable fees and collection costs shall be due and payable immediately when incurred. (CRS 38-33.3-123)
- c) Assessments, fees, penalties, interest, costs of collection, and reasonable attorneys' fees and other charges shall create a lien on the property against which they are assessed, and also shall be a personal obligation of the property owner at time of assessment.

Section 5. Budget: Within ninety (90) days after adoption of any proposed budget, the Board shall mail by ordinary first-class mail, or otherwise deliver, a summary of the budget to all members and shall set a date for a meeting of the members to consider the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary. The Board shall give members a thirty (30) day notice of the meeting. The budget proposed by the Board does not require approval from the members and it will be deemed approved by the membership in the absence of a veto at the noticed meeting by a simple majority of all the membership. In the event that the proposed budget is vetoed, the periodic budget last proposed by the board and not vetoed by the membership must be continued until a subsequent budget proposed by the Board is not vetoed by the membership. CRS 38-33.3-303

ARTICLE X

Enforcement of Covenants, Bylaw, and Policies

Section 1. Duty to Enforce: The ZHA shall have the duty to enforce the covenants, bylaws and policies in a consistent and equitable manner.

Section 2. Violations: The Board shall have the responsibility and authority to establish policies and assess fines against property owners who are in violation of the covenants, bylaws, and policies. Such fines must be defined in policy and provided to the membership.

Section 3. Alternative Dispute Resolution. The Board shall define and execute an alternative dispute resolution process for the interpretation and application of the covenants, bylaws, and policies. The process shall cover dispute resolution between the Board and a member(s) or between members. (CRS 38-33.3-124)

Section 4. Renters or Lessees: Any owner having a renter or lessee using his property shall be responsible for the person(s) abiding by the covenants, bylaws, and policies that govern the ZHA. The ZHA may require the property owner to provide an acknowledgement from the renter/lessee that the renter/lessee will abide by the covenants, bylaws, and policies of the ZHA.

Section 5. Limitation of Director Liability and Indemnification: The personal liability of a director to the ZHA or its members for monetary damages for breach of fiduciary duty is limited to the full extent provided by Colorado law. The ZHA shall indemnify its officers and directors against liability and shall pay or advance expenses incurred in the defense of any proceeding to the full extent allowed by Colorado law.