

**BYLAWS**  
**of**  
**BLUMENAU HOMEOWNERS' ASSOCIATION**  
**for the**  
**BLUMENAU SUBDIVISION, FILINGS 1 & 2**

**ARTICLE I**  
OFFICES

The principal address of the Association is P.O. Box 368, Westcliffe, Colorado 81252. The Corporation may also have offices and may carry on its purposes at such other places within the State of Colorado as the Board of Directors may from time to time determine. Such address may be changed from time to time upon written notice to all members.

**ARTICLE II**  
MEMBERSHIP, VOTING, QUORUM AND PROXIES

1. Membership. Any individual, corporation, partnership, association, trust or other legal entity or combination of entities owning an undivided fee simple interest in a lot within the Blumenau Subdivision shall automatically be a member of the Association. Such membership shall be continuous throughout the period that such ownership continues. A membership shall terminate automatically without any Association action whenever such individual, organization or group ceases to own a lot. Termination of membership shall not release any former member from any liability or obligation incurred by virtue of, or in any way connected with, ownership of a lot, or impair any rights or remedies which the Association or others may have against such former owner and member arising out of, or in any way connected, with such membership. This paragraph can only be amended by a unanimous vote of all the members of the Association (see Articles of Incorporation).
2. Classes of Membership. The Association shall have the following classes of membership:
  - a. Individual membership. Any individual acquiring such an interest in a lot shall automatically become an individual member of the Association;
  - b. Organizational membership. Any corporation, partnership, association, trust or other legal entity acquiring such an interest in a lot shall automatically become an organizational member of the Association. Each organizational member shall from time to time designate one or more individuals who may represent it at meetings and vote on behalf of such member. The Secretary of the Association shall maintain a list of the persons entitled to vote on behalf of such member and, until the Association is notified to the contrary, any action taken by such persons purported to act on behalf of the organizational member shall be binding on such member.
3. Voting. The total number of votes of all members shall be 215. Each member in “**good standing**” (see Article VI), shall be entitled to cast one vote at all meetings of members, or for any other official business, for each lot owned. However, each member who is a co-owner of a lot (including a joint tenant) shall have the right to vote only the fractional number of votes equal to the member’s undivided interest in a lot. For purposes of this paragraph, each joint tenant of a lot shall be deemed to own an undivided interest in his or her lot equal to 100% by the total number of joint tenants.

4. Proxies. Votes may be cast in person or by proxy. Proxies must be executed in writing by the member or his duly authorized attorney-in-fact and are only valid for one year for any official business and limited to voting at not more than one annual meeting.
5. Quorum. Except as otherwise provided in these Bylaws, the presence in person, or by proxy, of members entitled to vote more than 10% of the total votes of the members shall constitute a quorum.
6. Majority Vote. At any meeting of members, if a quorum is present the affirmative vote of over 50% of the eligible voters represented at the meeting, in person or by proxy, shall be the act of the members, unless the vote of a greater number is required by law, the Articles of Incorporation, or these Bylaws. An eligible voter is one that is in "good standing" per Article VI.
7. Change of Covenants. At any meeting of members, if the majority of the members present, by vote or by proxy, approve a request to proceed with action to change a Covenant, the Board of Directors will use due diligence to bring the vote to all members in "good standing" (see per Article VI). A majority of 50% plus 1 approval, by vote or by proxy, is required to change the Covenant, unless the vote of a greater number is required by law, the Articles of Incorporation, or these Bylaws. Should the vote to change a Covenant fail to pass, the Board of Directors will not consider a vote on the same issue for 3 years.

### **ARTICLE III**

#### **ADMINISTRATION**

1. Annual Meeting. The annual meeting of the members shall be held at a time designated by the Board of Directors in the month of July in each year, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.
2. Special Meeting. Special meetings of the members, for any purpose, unless prohibited by Statute, may be called by the President. The President shall call a special meeting at the request of members entitled to vote 50% or more of the total votes of the members.
3. Place of Meeting. The Board of Directors may designate any place within Westcliffe or Blumenau as the place for the annual meeting or for any special meeting.
4. Notice of Meeting. Written or printed notice of any meeting of the members stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally, by mail, or by email to each member entitled to vote at such meeting not less than 10 or more than 50 days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member's address as it appears in the office of the Association, with postage thereon paid. For the purpose of determining members entitled to notice of, or to vote, at any meeting of members, the Board of Directors may set a record date for such determination of members in accordance with the Laws of Colorado. If requested by the person or persons lawfully calling such meeting, the Secretary shall give notice thereof at corporate expense.
5. Voting. In the election of Directors, or for other Association business, each member shall have the right to vote the number of votes, including proxies, to which entitled on that business or for as many persons as there are directors to be elected, and for whose election the member is entitled to vote (see "good standing" obligations in Article VI).

**ARTICLE IV**  
**BOARD OF DIRECTORS**

1. **Tenure and Qualifications.** The business and affairs of the Association shall be managed by a Board of Directors, consisting of eight Directors and two Alternate Directors, each of whom must be a member of the Association in “good standing”. The Board of Directors shall consist of the President/Chairman of the Board, Vice-President/Director, Secretary-Treasurer/Director, and five Members/Directors at large and two Alternates. A person shall automatically cease to be a Director at such time as the person ceases to be a member of the Association in “good standing” as defined in Article VI. All Directors shall be elected annually by the members at the annual meeting. Each Director shall hold office until the election and qualification of a successor. The two Alternate Members/Directors at Large will serve if necessary to provide a quorum.
2. **Removal of Officers/Directors.** Upon the affirmative vote of a majority of the Board of Directors, any Officer or Director may be removed, with or without cause, and a successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. Such Officer or Director shall be elected to serve until the next annual meeting of the members.
3. **Resignation and 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 at the time specified therein; unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring on the Board of Directors, by reason of resignation, infirmity or death, may be filled by the affirmative vote of a majority of the Directors in office. A Director elected to fill a vacancy shall be elected to serve until the next annual meeting of the members.
4. **General Powers.** The Board of Directors shall have and may exercise all the powers of the Association as conferred by the Articles of Incorporation, these Bylaws and Colorado Law.
5. **Specific Powers and Responsibilities.** In addition to its general powers, the Board of Directors shall have the power and responsibility;
  - a. To administer and enforce the Covenants, Policies and Procedures, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration of Protective Covenants for Blumenau Subdivision, Filings 1 and 2 dated November 6, 1973 and recorded under Reception No. 108523, Book 168, Pages 160-167 of the Custer County Records, the provisions of which are incorporated herein verbatim by this reference;
  - b. To enforce the provisions of the findings of fact, conclusions of law and decree approving plan for augmentation, including exchange of water, provision of substitute supplies of water and change of water rights in Case No. W-4062, dated July 2, 1979, and recorded on July 24, 1979 under Reception No. 121422, Book 176, Page 425 of the Custer County Records, the provisions of which are incorporated herein verbatim by this reference. Each well in use must have a meter and that reading must be reported annually to BHA;
  - c. To report to the Division Engineer on or before January 1 of each year, the following;
    - i. The name and address of the President of the Association;
    - ii. The number of residences constructed available for occupancy together with a statement of whether such residences are occupied year around or only for weekends and vacations.; and
    - iii. The number of residences keeping horses on their lots,
    - iv. The amount of water used annually.
  - d. To install and maintain such works and devices as shall accurately measure and control:
    - i. The water stored in the Antelope Valley Ranch Reservoir, which are received or exchanged from up to 0.253 cfs of the John L. Schwab No. 1 Ditch Decrees;
    - ii. The waters released from said reservoir; and
    - iii. All waters subject to the Decree as may be required by the State Division 2 Engineer;

- e. To take immediate steps to curtail domestic, in-house use of water by owners if the consumptive use, in any water year as defined in the Water Decree, exceeds the total amount of water available under the Decree for depletions replacement;
  - f. Enter into contracts within the scope of their duties and powers;
  - g. To establish and maintain the depository for the funds of the Association, which shall be First State Bank of Colorado, 102 S. Adams Blvd, Westcliffe, Colorado 81252. Accounts in this Bank for the Association shall be governed by two individuals, the President and Treasurer of the Association. A safe deposit box for the Deed to the Water Rights of the Association shall be acquired and maintained at this same Bank.
  - h. To maintain a full and accurate books and records showing all the receipts, expenses or disbursements of the Association. Any member may inspect such records at any reasonable time;
  - i. To prepare and deliver annually to each member a statement showing all receipts, expenses or disbursements since the last such statement.
6. Regular Meetings. Regular meetings of the Board of Directors may be held with notice by mail, email or telephone at such places as the President may determine and at such time as the Board may from time to time by vote determine. Any business may be transacted at a regular meeting.
  7. Special Meetings. Special meetings of the Board of Directors may be held at any place within Westcliffe or Blumenau at any time when called by the President or by two or more Directors, with at least three days prior notice of the time and place thereof being given to each Director, by leaving such notice at their residence or usual place of business or by mail, email or telephone. Notices need not state the purpose(s) of the meeting.
  8. Quorum. A majority number of Directors fixed by the Bylaws shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting. When a quorum is present at any meeting, a majority of the Directors in attendance shall, except where a larger number is required by law, by Articles of Incorporation or by these Bylaws, decide any questions brought before such meeting.
  9. Waiver of Notice. Before, at or after any meeting of the Board of Directors, any Director, may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice except when a Director attends the meeting for the express purpose of objecting to the transaction of business because the meeting was not lawfully called or convened.

## **ARTICLE V**

### DUTIES OF OFFICERS/DIRECTORS

1. General. The officers of the Blumenau Homeowners Association shall be a President, one Vice President, and a Secretary-Treasurer (all of whom shall be elected by the members at an annual meeting).
2. President/Chairman of the Board. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The President shall have the general and active control of the affairs and business of the Association and may vote on any issue before the Board or Members.
3. Vice-President/Director. The Vice-President shall assist the President and shall perform such duties as may be assigned by the President. In the absence of the President, the Vice President shall have the powers and perform the duties of the President. In the latter case, confirmation by Board of Directors shall be necessary and so noted in the minutes.

4. Secretary-Treasurer/Director.

a. The Secretary shall:

- i. Keep the minutes of the proceedings of the members and the Board of Directors.
- ii. See that all notices are given in accordance with the provisions of these Bylaws and as required by law.
- iii. Be custodian of the corporate records and of the Seal of the Association and affix the seal to all documents when authorized by the Board of Directors.
- iv. Keep at its registered office or its principal place of business a record containing the names and registered addresses of all members, and the designation of the lot owned by each member.
- v. 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 of Directors.
- vi. File and maintain liens with the Custer County Clerk on the appropriate lot(s) when the owner's annual assessment have not been paid for three years.

b. The Treasurer shall:

- i. Be the principal financial officer of the Association 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 directions of the Board of Directors. The Treasurer shall receive and give receipts and quittances 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 upon maturity.
- ii. Perform all other duties incident to the office of Treasurer, and, upon request of the Board, shall make such reports to it as may be required at any time. The Treasurer shall, if required by the Board of Directors, give the Association a bond in such sums, and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of the duties and for the restoration to the Association of all books, papers, vouchers and other property of whatever kind in the possession or under the Treasurer's control belonging to the Association.
- iii. Have such other powers and perform such other duties as may be from time to time prescribed by the Board or the President.

5. Board Member/Directors at Large. Shall perform such duties as may be assigned to them by the President.

6. Alternate Directors at Large. Shall perform such duties as assigned to them by the President when called to fill in for an absent Director or Officer.

## ARTICLE VI

### OBLIGATIONS OF MEMBERSHIP

Each member, in order to be in "good standing", shall comply with all of the provisions of the Water Court Decree W-4062, Protective Covenants, Articles of Incorporation, and Bylaws of the Association. If a member fails to comply with any of the provisions or requirements therein, the Association shall have the power, during the period of such delinquency, to suspend a member's voting privileges, that is make the voter ineligible, and also to take whatever necessary legal action is required to acquire compliance. (i.e., report water meter non-compliance to State Water Board or to suspend voting rights for delinquent dues).

## ARTICLE VII

### FEES, LIENS, FINES & STIPENDS

1. Fees.
  - a. Annual assessment fee will be \$30.00 per lot.
  - b. Special assessments per lot may be established from time to time by the Board of Directors based on current situations or needs such as necessary legal fees to defend the Association or repair damage as a result of a manmade or natural disaster.
2. Liens. Will be placed and maintained on lots when the member is delinquent in paying the annual assessment fee for three years, when 60 days delinquent on any special assessment fee and/or when a member is levied a fine(s) (see below) and refuses to pay.
3. Fines.
  - a. The following fines may be levied upon the members for the following offenses;
    - i. The fine for refusing to install or repair a water meter will be \$100.00 per noncompliant year.
    - ii. The fine for causing a lien to be filed on a lot will be \$50 per annum to cover the administrative costs to the Association.
    - iii. The fine for refusing to comply with the Protective Covenants (DCP) and forcing the Association to pursue legal procedures to enforce compliance will be the Associations' costs plus \$100.00
  - b. Fines for any other Protective Covenant violation(s) or delinquencies not specified above may be established by the Board of Directors from time to time as necessary as described in the Governing Documents Enforcement and Fine Schedule Policy and Procedure.
4. Stipends.
  - a. The annual stipend for the Secretary/Treasurer will be \$2,400.00 (\$200 per month).
  - b. The Secretary/Treasurer, or any other Board Member, will also be reimbursed for any personal expenses in support of the Association when proper receipts are presented.
  - c. \$100.00 per year will be allocated for establishing and maintaining an Association website.

## ARTICLE VIII

### EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS & LEINHOLDERS

1. Proof of Ownership. Any person, on becoming an owner, shall furnish to the Association a photocopy or a certified copy of the recorded instrument vesting that person with an interest or ownership. Such copy shall remain in the files of the Association. The Association may ascertain and verify ownership through documents of record at the Clerk, Assessor or Treasurer's Office of Custer County Courthouse. A member shall not be deemed to be in good standing and shall not be entitled to hold office or vote at any annual or special meeting of members unless this requirement is first satisfied.
2. Registration of Mailing Address. If a lot is owned by two or more owners, such owners shall designate one address as the registered address. The registered address of an owner or owners shall be furnished to the Secretary within thirty days after the transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners or by such persons as are authorized by law to represent the interest of the owners thereof.

**ARTICLE IX**  
**SECURITY INTEREST IN MEMBERSHIP**

Owners shall have the right irrevocably to constitute and appoint the mortgagee of the beneficiary of a trust deed as their true and lawful attorney-in-fact to vote their lot membership in the Association at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they have as owners under the Articles of Incorporation and these Bylaws or by virtue of the Declaration. Such proxy shall become effective upon the filing of notice by the mortgagee or the beneficiary with the Secretary of the Association at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Board of Directors, or the owners to carry out their duties as set forth within the Water Court Decree or the Protective Covenants. A release of the mortgage or the beneficiary deed of trust shall operate to revoke such proxy. Nothing herein contained will be construed to relieve owners, as mortgagors, of their duties and obligations as owners or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an owner.

**ARTICLE X**  
**AMENDMENTS**

1. By Board of Directors. Except as by law, the Articles of Incorporation or these Bylaws, the Board of directors will have the power to make, amend and repeal the Bylaws of the Association, other than Bylaw Article IV, Paragraphs 5b, c, d and e, at any regular meeting of the Board of at any special meeting called for that purpose at which a quorum is represented. However, if the members shall make, amend and repeal any Bylaw the Directors shall not, thereafter amend the same in such manner as to defeat or impair the object of the members in taking such action.
2. By Members. The members may, by vote of the holders of at least 75% of the votes of the members, unless expressly made subject to a higher voting requirement by law, the Articles of Incorporation or these Bylaws, make, alter, amend or repeal the Bylaws of the Association, other than Bylaw Article IV, Paragraphs 5b, c, d and e, at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.
3. By Special Bylaws. Absent an order of the District Court in and for Water Division No. 2, State of Colorado, Bylaw Article IV, Paragraphs 5b, c, d and e, may not be amended, altered or repealed pursuant to Paragraph 1 and 2 of this Article unless such amendment is presented to and approved by the District Court in and for Water Division No. 2, State of Colorado.


**ARTICLE XI**  
**MISCELLANEOUS**

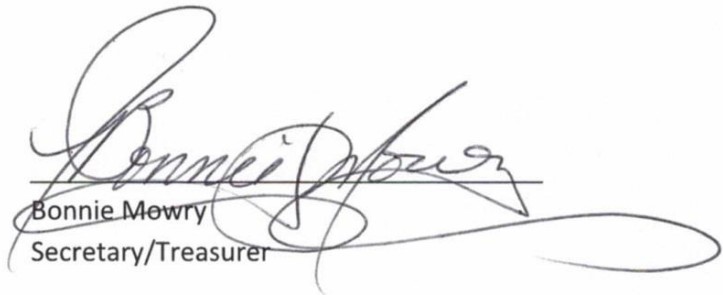
The fiscal year of the Association shall be from May 1 through April 30. This was amended in May 1998 so the required annual financial report could be mailed to the Members in the letter announcing the annual meeting.

**ARTICLE XII**  
**INDEMNIFICATION**

No Director or officer of the Association shall have the power to bind any Director or Officer of the Association personally. Any individual, corporation, company, association, partnership or trust or any other person extending credit to, contracting with or having any claim against the Association, shall look only to funds and property of the Association for payment of any debt, damage, judgment or decree, or any money that may be otherwise become due or payable thereto from the Association, so that no Director or Officer, present or future of the Association, shall be personally liable therefore. Any such suit of this nature shall be considered a suit against the Association and the Association shall pay or advance any legal fees, court costs or judgments granted in defense of said suit.

**Revised and Approved by the Board of Directors at a meeting on April 12<sup>th</sup>, 2018.**

  
Donald Pinnella  
President

  
Bonnie Mewry  
Secretary/Treasurer