

**PAGOSA LAKES
PROPERTY OWNERS
ASSOCIATION
BYLAWS**
with amendments through
July 27, 2019

**ARTICLE I
PREAMBLE**

The Pagosa Lakes Property Owners Association, hereinafter referred to as the Association, shall have as its purposes, goals and objectives:

- (1) Improve, protect and enhance the quality of life and environment and preserve property values at Pagosa Lakes.
- (2) Promote the general welfare of the members of the Association and inhabitants of the community.
- (3) Provide efficient administration and management of the affairs of the Association, and delivery of essential community services.
- (4) Acquire, own, operate, maintain or dispose of property of all kinds or classifications in the best interests of the Association and its members.
- (5) Exercise the powers set forth in its Articles of Incorporation and granted it by law to do whatever is necessary, appropriate or incidental to the accomplishment of its stated purposes, goals, and objects.

**ARTICLE II
DEFINITIONS**

The following terms as used in these Bylaws are defined as follows:

- (1) **Association** - The Pagosa Lakes Property Owners Association, a Colorado not-for-profit corporation.
- (2) **Board** - The Board of Directors of the Pagosa Lakes Property Owners Association.
- (3) **Declarant** - Fairfield Pagosa, Inc. a Delaware corporation, and/or its predecessors, successors and assigns, and no others.
- (4) **Declarations** - All of the declarations of restrictions, as supplemented and amended, which have been filed in Archuleta County in connection with the various subdivisions developed by the Declarant, including their associated plats.
- (5) **Pagosa Lakes** - The Common Interest Community comprised of all the property deed restricted with the Declarations.
- (6) **Lot** - A lot, tract, parcel of land, condominium Unit, townhouse Unit or Time Share Unit within a subdivision, which has been subjected to the Declarations.
- (7) **Owners** -
 - (a) Any person or legal entity including the Declarant who holds any fee simple title to any Lot;
 - (b) Any person or legal entity who, as a purchaser, has entered into a contract for deed to a Lot, which contract provides that the purchaser obtains possession and the rights and responsibilities of ownership, but that the deed will be delivered to the purchaser only after the purchaser meets certain conditions, such as payment of the full purchase price. In this case, the seller under said contract shall cease to be the Owner while said agreement is in effect.
 - (c) Any person vested with legal title to either an interval estate or a time-span estate as those terms are defined in Colorado Revised Statutes Section 38-33-1 1 0, as amended.
- (8) **Good Standing** - A member of the Association shall be deemed to be in Good Standing if dues owed on any and all Lots have been paid in full and if the member has complied with the Articles of Incorporation, the Declarations, these Bylaws, and the rules and regulations of the Board.
- (9) **Member** - A person or legal entity who shall by virtue of ownership have access to all Association services, amenities and privileges, subject to limitations, restrictions and obligations as provided in these Bylaws and by the Declarations. Owners in a Time Share Unit shall be entitled to use of Association services, amenities and privileges only during the time-share period(s), which they have purchased.

- (10) **Associate Members** - Persons, if not otherwise members, may be associate members subject to such conditions, rules and regulations as the Board may from time to time adopt, provided, however, associate members shall not be entitled to voting privileges.
- (11) **Regular Vacancy** - A vacancy on the Board, which results from the expiration of a term of service of any member.
- (12) **Irregular Vacancy** - A vacancy on the Board, which results from the removal from office, death, or other inability to serve a full term by any member.
- (13) **Common Element** - Real estate within Pagosa Lakes owned or leased by the Association, other than a Unit.
- (14) **Common Interest Community** - Real estate described in the Declarations with respect to which a person, by virtue of such person's ownership of a Unit, is obligated to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in the Declarations.
- (15) **Unit** - A physical portion of the Common Interest Community which is designated for separate ownership or occupancy and the boundaries of which are described in or determined from the Declarations.
- (16) **Time Share Unit** - A Unit the title to which is or is to be divided either into interval estates or time-span estates.
- (17) **Supermajority** – One greater than a simple majority of the directors then in office.

ARTICLE III MEMBERSHIP

SECTION 1. Membership Classification - There shall be two classes of Membership:

- (a) Member
- (b) Associate Member

SECTION 2. Member - The current owner/s of each Lot, subject to limitation of membership set forth in Article III, Section 6 below, shall, by virtue of ownership, be a member of the Association. If any Declaration does not make membership mandatory, the Owner/s may, by payment of the annual assessment, and by subjecting their lot to the Declaration providing for mandatory membership, elect to join the Association to avail themselves of the services, amenities, and privileges of the Association.

SECTION 3. Associate Member - The following persons, if not Members, shall be Associate Members:

- (a) The spouse and children of a Member who have the same principle residence as the Member.
- (b) Persons who are tenants or regular occupants of residences constructed on any residential Lot.
- (c) Persons who, by virtue of special written agreement with the Board, or its designee, may be granted permission to use one or more of the facilities, amenities, or properties owned or controlled by the Association.

SECTION 4. Privileges and Duties of Members -

- (a) Members in Good Standing shall have the right of access to recreational facilities owned or operated by the Association. Timeshare owners shall be entitled to use during timeshare period/s which they shall have purchased or leased. The use of Association services, amenities and privileges shall be subject to such rules and regulations, charges and assessments as may be established by the Board from time to time.
- (b) Subject to the provisions in Article III, Section 6, Members in Good Standing shall have the right to vote in any and all official Association meetings.
- (c) **Assessment** - Members shall pay to the Association such sum/s as may be established from time to time by the Board as the annual dues assessment. No such charge shall ever be made against or be payable by the Declarant, the Association, or the owner of the utilities serving Pagosa Lakes. Such sum/s shall be payable at such time and for such periods as the Board may direct. All unpaid assessments shall become a lien as provided for in the Declarations and the Colorado Common Interest Ownership Act and shall be collectible in accordance with the collection policies and procedures established by the Board. All Lot assessments shall be prorated between the buyer and seller at the time of sale. Where the Declarant is the seller, only the buyer is prorated. The assessment for Time Share Units may be figured at a higher rate than the assessment for other memberships, but shall not exceed five times the assessment for regular memberships.

- (d) All books and records of the Association, except personnel files and attorney - client communication, may be inspected by any Member or his agent or attorney for any proper purpose at any reasonable time.
- (e) Members are responsible for keeping the Association apprised of their current mailing address.

SECTION 5. Privileges and Duties of Associate Members -

Associate Members shall have such privileges and duties as from time to time may be established by the Association. They shall have the right to access recreational facilities owned or operated by the Association.

SECTION 6. Limitation on Membership -

- (a) The ownership of one or more lots shall entitle that ownership to only two votes, no matter how many lots are in that ownership. For each Time Share Unit interval (1week) there shall be two votes on behalf of all Owners within such Unit interval. Such Time Share Unit interval votes shall be counted as one-fiftieth (1/50) of a regular lot owner vote.
- (b) The signature of a Time Share Unit interval Owner in Pagosa Lakes shall be counted as one-fiftieth (1/50) of that of a regular lot Owner for purposes of meeting any petition requirements of these Bylaws, provided that the Owner is in Good Standing, and provided further that in no event shall the cumulative total of the signatures of Owners in any one Time Share Unit be greater than two (2).

ARTICLE IV

ANNUAL MEETING OR DESIGNATED MEETINGS OF MEMBERS

SECTION 1. Place of Meetings - Meetings of the members of the Association shall be held within Pagosa Lakes, as stated in the notice of the meeting.

SECTION 2. Date of Annual Meeting - The date of the annual Association meeting shall be the last Saturday in July, unless it is changed by resolution of the Board.

SECTION 3. Procedure for Calling a Meeting - Meetings of the Members shall be held at least once each year. Special meetings of the Members may be called by the president, or requested by a majority of the Board or by Members having twenty percent of the votes in the Association. Not less than ten nor more than fifty days in advance of any meeting of the Members, the secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Member. The notice of any meeting of the Members shall be physically posted in the clubhouse and may be posted in other conspicuous locations in the community. Notice may also be posted on the Association's website. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

SECTION 4. Quorum - A quorum at a meeting of the Association shall be at least 100 voting members. A vote of a majority of the ballots entitled to be cast at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon, unless a greater proportion is required by law or by these Bylaws. In the event a quorum does not exist, the meeting may be adjourned for up to forty-eight (48) hours to obtain a quorum. Should a quorum then fail to be obtained, the meeting shall be rescheduled in accordance with Section 3 above. The ballots of Members who have voted absentee may be counted in arriving at the 100 voting Member quorum, provided no less than 25 Members are in actual attendance.

SECTION 5. Voting Privileges - A Member in Good Standing shall have the right to vote at any meeting of the Association. Members of the Board shall be elected by the Association at the annual meeting. The privilege to vote shall be based upon one ownership - two votes, and one Time Share Unit interval, two votes, except as they are restricted in Article III, Section 6.

SECTION 6. Absentee Ballot - Any voting Member may vote by an absentee ballot. The official absentee ballot shall only be valid when returned to the Secretary in accordance with the election instructions accompanying the notice and call. Absentee ballots are to be received by the Secretary of the Association or its designee. Notification of official Association elections shall be included with the official absentee ballot. Notwithstanding anything to the contrary, the Association will not be required to provide for or accept absentee ballots with respect to an owner meeting to ratify any budgets.

SECTION 7. Proxy Voting -

- (a) Pursuant to Colorado law, a Member may cast his or her vote by proxy.

- (b) All proxies shall be in writing and filed with the secretary or designee of the Association at or prior to the meeting.
- (c) If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of the vote by the other Owners of the Unit through a duly executed proxy. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes shall not be counted.
- (d) An Owner may revoke a proxy given under this section by written notice of revocation to the person presiding over a meeting of the Association.
- (e) A proxy is void if it is not dated.
- (f) A proxy terminates 11 months after its date, unless it specifies a shorter term or a specific purpose, or upon sale of the Unit for which the proxy was issued.
- (g) A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

SECTION 8. Secret Ballot – Votes for contested positions on the Board shall be taken by secret ballot.

- a) At the discretion of the Board or upon the request of twenty percent of the Members who are present at the meeting or represented by proxy, a vote on any other matter affecting the common interest community on which all Members are entitled to vote shall be by secret ballot.
- b) The results of the vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Members participating in such vote.

SECTION 9. Counting of Ballots – Ballots, whether secret or not, shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Members who are selected or appointed at an open meeting, in a fair manner, by the chair of the board or another person presiding during that portion of the meeting. The volunteers shall not be board members and, in the case of a contested election for a board position, shall not be candidates.

**ARTICLE V
BOARD OF DIRECTORS**

SECTION 1. Organization - The Board shall be composed of seven persons to be elected by the Association membership.

SECTION 2. Qualifications - In order to serve on the Board, a person must:

- (a) Be a natural person who is an Owner-Member in Good Standing as defined in Article II with verification of ownership of a lot acceptable to the Association in any of the subdivisions in the area known as Pagosa Lakes, (including those lots not requiring membership in Pagosa Lakes Property Owners Association) but who is a Member by reason of ownership of a Lot, the deed restrictions on which require membership in Pagosa Lakes Property Owners Association; and
- (b) Agree to attend all meetings of the Board either in person or by means allowed by these Bylaws and permitted by Colorado law.

SECTION 3. Terms of Office – The term of office as a member of the Board shall be three years. The terms of the directors shall be staggered so that at least two positions are elected each year. In order to establish this staggering without affecting the terms of Board members serving as of the date this Bylaw is adopted, the following schedule will apply:

- (a) 2018 Annual Meeting – one member will be elected for a three year term expiring in 2021
- (b) 2019 Annual Meeting – one member will be elected for a three year term expiring in 2022
- (c) 2020 Annual Meeting – one member will be elected for a one year term ending in 2021; one member will be elected for a two year term ending in 2022; three members will be elected for a three year term ending in 2023. The candidates with the most votes will serve the three year terms. The candidates with the next most votes will serve the two year term and one year term, respectively. If candidates receive the same number of votes, the candidates may decide unanimously among themselves who will serve each term. If the candidates cannot agree, names will be drawn for each term.

As each term expires, each member will be elected to a three year term. No director shall serve more than two consecutive elected terms, provided that election to one of the abbreviated terms beginning in

2020 shall not deny that director eligibility to serve two full three year terms. Each director shall hold office until the successor is determined

SECTION 4. Removal from the Board -

- (a) The entire Board or any lesser number may be removed with or without cause as provided for in the Colorado Nonprofit Corporation laws (Section 7-128-108, C.R.S., as Amended).
- (b) The Board may declare a vacancy prior to the expiration of term of office if a director who was duly elected or appointed fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for illness.

SECTION 5. The Conduct of Meetings -

- (a) Regular Meetings - The Board shall meet regularly at least every month in open session.
- (b) Location - Meetings shall be held in a facility located in Pagosa Lakes, but not a private residence.
- (c) Quorum - A majority of the Board members shall constitute a quorum.
- (d) Robert's Rules of Order shall be adopted for the conduct of Association meetings.
- (e) Special Meetings - Special meetings may be called by the President as he deems necessary and must be called by the President at the request of any two Board members. Notice of such meetings must be posted 24 hours in advance.
- (f) Exigencies - Any action required or permitted by law at a meeting of the members of the Board may be taken without a meeting if consented to unanimously and entered into the minutes of the next regular or special meeting.
- (g) Manner of Acting - The act of a majority of a quorum of the Board shall be the act of the Board.
- (h) For the purposes of determining a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a director may execute, in writing, a proxy to be held by another director. The proxy shall specify a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote shall not be counted for the purpose of having a quorum present or as a vote on the particular issue before the Board.
- (i) Attendance - The Board may permit any director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

SECTION 6. The Officers -

- (a) Officers - The Officers of the Association shall consist of a President, a Vice-President, a Secretary, a Treasurer and such other officers as may be deemed necessary, each of whom shall be elected from within the Board at the organizational meeting following the annual election, for a term of one year.
- (b) President - The President shall preside at all Association Board of Directors meetings, and shall be vested with the powers and duties generally incident to the office of President of a non-profit corporation, except as otherwise determined by the Board or these Bylaws.
- (c) Vice-President - In the absence of the President, the Vice-President has the power to act and shall thereupon be vested with the powers and duties of the President.
- (d) Secretary - The Secretary shall be responsible for the Minutes of all Association business meetings. The Secretary shall mail or cause to be mailed all notices required under these Bylaws. The Secretary shall have custody of the corporate seal and shall maintain or cause to be maintained an up to date list of Members and their addresses and perform all other duties incident to the office of Secretary. The Secretary shall have the responsibility for the conduct of all Association elections.
- (e) Treasurer - The Treasurer shall have responsibility for the funds of the Association, and shall be vested with the powers and duties generally incident to the office of the treasurer of a non-profit corporation, except as otherwise determined by the Board of Directors or these Bylaws.
- (f) Remuneration - All officers and directors shall serve without pay except that expenses incurred in the service of the Association may be reimbursed.
- (g) Removal of Officers - Any officer of the Association may be removed from office upon majority vote of the full Board.
- (h) Additional Responsibilities - The duties, obligations, authority and responsibilities of all officers may be augmented, detailed or modified from time to time commensurate with the growth of the Association and Pagosa Lakes upon enactment of written policy approved by the Board.

SECTION 7. Committees - The Board of Directors may establish such standing and ad hoc committees as it deems necessary. All such committees are advisory to the Board of Directors. Chairpersons of committees shall be Members in Good Standing and appointed by the Board of Directors. Chairpersons of committees are responsible for appointing committee members from PLPOA Members in Good Standing. It is desirable that a Director be on each standing committee.

SECTION 8. Vacancies

(a) Regular Vacancies - Nominations must be submitted by petition signed by at least twenty-five (25) Members in Good Standing. It must be submitted to the Association office not less than seventy-five (75) days prior to the Annual Meeting. It must be accompanied by a completed official Director Candidate application for nomination.

(b) Irregular Vacancies – Vacancies on the Board caused by any reason other than removal by a vote of the Members may be filled by appointment by a majority vote of the remaining directors at any time after the vacancy occurs, even though the directors present at that meeting may constitute less than a quorum. Only a Member in Good Standing may be appointed to fill the vacancy. Each person so appointed will be a director who will serve for the remainder of the unexpired term. Appointment to fill the vacancy will not deny that director eligibility to serve two full consecutive terms (ref. Article V, Section 3) immediately following the appointed term.

(c) Individuals noted in Section 8 (a) and (b) above shall meet the qualifications noted in Section 2.

**ARTICLE VI
BUDGET**

SECTION 1. Formulation of the Budget - A draft budget, prepared by Association staff members, shall be presented to the Board of Directors at the October regular meeting. The Board of Directors shall adopt a final draft of the budget at the December meeting.

(a) Any proposed special assessment in an amount greater than the current annual assessment must be put on a ballot sent to all PLPOA Members in good standing for a vote at an annual or special meeting. The reason for the special assessment and amounts shall be clearly set forth in the call for the meeting. A majority of votes cast shall constitute approval of the issue.

SECTION 2. Formulation of Assessment - The amount of annual assessment shall be reached by dividing the amount of expenditures in the approved budget, less funds from other sources, by the number of Lots as modified by Article III, Section 4, Paragraph (c), excluding those owned by the Declarant. The Board, when formulating the budget, shall estimate the amount necessary to provide an adequate reserve fund for maintenance, repairs, replacement and improvement of Association property, and such amount shall be payable as part of the regular annual dues assessment. The annual budget approved by the Board shall include funds for the payment of premiums for the following insurance policies, which must be carried in the name of the Association as the insured:

- (a) Insurance for full replacement cost, less a reasonable deductible, of all insurable Association property.
- (b) Fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds collected by the Association and held for the benefit of its members in an amount sufficient to cover the maximum anticipated amount of cash on hand or on deposit, including reserves.
- (c) Public liability in the minimum amount of \$3,000,000; directors and officers errors and omissions liability in the minimum amount of \$3,000,000; professional and auto liability in the minimum amount of \$1,000,000. The Board of Directors shall have the authority to obtain additional insurance as deemed necessary.

**ARTICLE VII
AMENDMENTS**

SECTION 1. Procedures - The Bylaws of the Association may be amended by a two-thirds (2/3) vote of the Members present or voting absentee at a meeting called for such purpose. The procedure for calling a meeting shall be as set forth in Article IV, Section 3. Proposed changes to the Bylaws may be placed on the ballot by one of the following procedures.

- (a) The Board may place proposed Bylaw amendment on the ballot by a majority vote. Such proposals may be made by individual Directors or by one or more property owner Association Member(s) for review and approval by the Board. The Board may recommend its adoption by the membership.
- (b) Members may propose Bylaw changes to be placed on the ballot by petition signed by 75 Members in Good Standing and submitted to the Board at least 90 days prior to a property owners meeting. Within 5 working days the PLPOA staff will ascertain the validity of 75 signers. Other than inadequate signers, the only reason for Board rejection of such proposals is clear violation of law or the Articles of Incorporation or the Declaration of Restrictions. Rejections must be explained to the initiators and they be given an appeal hearing within 15 days before a panel of 3 PLPOA Members other than Directors; one to be selected by the Board, one to be selected by the initiators and one to be selected by the other 2 members.
- (c) The petition shall include a notice that only Members in Good Standing should sign. It must set forth the existing Bylaw, the proposed changed wording and a statement of reasons for proposing the change.
- (d) The Board shall place any proposed Bylaw changes on the ballot no later than 60 days prior to a property owners meeting.
- (e) Every Article proposed to be changed shall be a separate ballot item.
- (f) A Bylaw amendment approved by the membership shall become effective immediately, unless otherwise so provided.

**ARTICLE VIII
COMMON INTEREST COMMUNITY PROPERTY**

SECTION 1. Limitation on Capital Expenditure -

- (a) The Association is precluded from the purchase of real property or any capital expenditure in excess of 15% of total equity as determined by the most recent financial audit, unless a majority of the Members in Good Standing present a meeting of the Members in which a quorum is present, vote to approve. The Board of Directors may by a vote of a Supermajority of its directors a meeting of the Board where a quorum is present, approve the purchase of real property or any capital expenditure not to exceed 15% of total equity, as determined by the most recent financial audit.
- (b) The limitation set forth in Section 1(a) above shall not apply to a reserve expenditure, a budgeted expenditure or purchase (including one that may have been included in the budget for more than one year in anticipation of the expenditure), or the bidding on or the purchase of real property in any foreclosure action brought by the Association.

SECTION 2. Limitation on Disposition of Property

- (a) The Association is precluded from any act or omission to abandon, partition, subdivide, mortgage, encumber, sell or transfer Common Elements valued in excess of 15% of total equity as determined by the most recent financial audit, unless a majority of the Members in Good Standing present at a meeting of the Members in which a quorum is present, vote to approve.
- (b) The Association is precluded from selling or otherwise conveying Association assets or owned real estate to members of the Board, Association staff, Association volunteers, or their immediate family members or agents, unless or until public notice of intent to sell has been published on the Association website and/or the newspaper in which the Archuleta County Public Trustee publishes legal notices.

SECTION 3. In Event of Losses - In the event of any damage to or destruction of Association property, or if any property shall be taken by exercise of eminent domain, such funds as may be received shall be applied first to the repair or replacement of the damaged, destroyed or condemned property. Excess funds, if any, shall next be used for the payment of mortgages or debts incurred in connection with such property; and finally any funds in excess of these requirements shall be used in a manner consistent with the stated purpose(s) of the Association duly adopted by resolution of the Board.

Pagosa Lakes Community Telephone Numbers and Addresses

PLPOA Administration Office – 230 Port Avenue,
Pagosa Springs, CO 81147-9486
970-731-5635, 1-888-467-5762, Fax 970-731-5362,
E-mail plpoa@plpoa.com, www.plpoa.com

Pagosa Lakes Recreation Center – 45 Eagles Loft Circle,
mail c/o 230 Port Avenue Pagosa Springs, CO 81147
970-731-2051

Archuleta County Sheriff's Department – P. O. Box 638,
Pagosa Springs, CO 81147-0638
970-264-2131

Emergencies Dial 911

Pagosa Fire Protection District-191 N. Pagosa Blvd., Pagosa Springs, CO 81147
970-731-4191, Fax 970-731-4794

Upper San Juan Hospital District –Upper San Juan EMT Assn., Inc.
189 N. Pagosa Blvd.

Pagosa Springs, CO 81147-9300
970-731-5811, 970-247-0855

State Patrol District Office – 231 West 6th Street
Durango, CO 81301
970-247-4722

Pagosa Springs Area Chamber of Commerce – 402 San Juan Street, P. O. Box 787

Pagosa Springs, CO 81147-0787
970-264-2360
1-800-252-2204
Fax 970-264-4625

Local Road and Weather Conditions –
970-264-5555

Area Road and Weather Conditions –
970-247-3355