

Chateau Chaparral Owners Association

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Board Members President – Ben Althoff #153, 163, 221 Vice President – Jody Juneau #96, 228, 229, 119 Secretary – Jennifer Schiavone #221 At Large – Don Henning #31 Board Members At Large – Joanie McCord #143 At Large – Kristi Davis #100 At Large – Jack Couch #128

Electronic mail communications with David Firmin, Attorney at Law Thursday, July 25, 2024 7:49 PM

RE: Changing the bylaws

Dear Mr. Firmin,

Could you please provide a definitive, clear answer to the following questions:

- 1. Can the board amend the bylaws without a vote of the membership? If so, which statute permits this?
- 2. If the answer to #1 is yes, then if a member's proposed amendment passes a vote of the membership, does the board have the authority to, at a later date, change it? (owner question)

We are awaiting your response before moving forward. Thank you for your assistance in this matter.

Jody Juneau Vice President Chateau HOA

Electronic mail communications Friday, July 26, 2024 11:30 AM

Jody good morning,

As to the question on bylaw amendment. The Colorado Revise Nonprofit Corporation Act provides:

7-130-201. Amendment of bylaws by board of directors or members.

- (1) The board of directors may amend the bylaws at any time to add, change, or delete a provision, unless: (a) Articles 121 to 137 of this title or the articles of incorporation reserve such power exclusively to the members in whole or part; or (b) A particular bylaw expressly prohibits the board of directors from doing so; or (c) It would result in a change of the rights, privileges, preferences, restrictions, or conditions of a membership class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class.
- (2) The members may amend the bylaws even though the bylaws may also be amended by the board of directors. In such instance, the action shall be taken in accordance with sections 7-130-103 and 7-130-104 as if each reference therein to the articles of incorporation was a reference to the bylaws. (emphasis provided).

The current bylaws establish a process in which the member may initiate a proposed amendment to the bylaws, but does not expressly prohibit the board from doing so. As a result, the board is generally authorized to amend the bylaws so long as the proposed amendment does not "result in a change of the rights, privileges, preferences, restrictions, or conditions of a membership class as to voting, dissolution, redemption, or transfer" (emphasis added)

Furthermore, 7-123-102 of the Nonprofit Act provides (1) the nonprofit corporation has perpetual duration and succession in its domestic entity name and has the same powers as an individual to do all things necessary or convenient to carry out its affairs, including the power (n) to impose dues, assessments, admission and transfer fees upon its members.

As a result, can the Board amend the bylaws, yes.

Can the owners amend the bylaws, yes. Can the board change an amendment approved by the owners? No. The owners' amendments take precedence.

David Firmin