

**AMENDED AND RESTATED BYLAWS
OF
THE RANCH PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE 1
INTRODUCTION**

These are the Amended and Restated Bylaws of The Ranch Property Owners Association, Inc. (the "Association"), which shall operate under the Colorado Nonprofit Corporation Act, as amended, and the Colorado Common Interest Ownership Act, as amended ("Act"). Definitional terms used herein shall correspond to the Act or the definitions used in the Amended and Restated Declaration of Covenants Conditions and Restrictions for The Ranch, as same is amended from time to time (the "Declaration").

These Amended and Restated Bylaws have, among other things, been amended and restated in order to adopt and incorporate the provisions of the Act relating to the governance of common interest communities. The effect of the adoption of these Amended and Restated Bylaws shall be to supersede and replace, in the entirety, the Bylaws of the Association, as amended through January 3, 2012, and recorded in the real property records of La Plata County, Colorado on January 6, 2012 at Reception No. 1040919 (the "Original Bylaws").

Adoption of these Amended and Restated Bylaws was approved by a vote of at least two-thirds of the votes of the members as required by the Original Bylaws in a vote conducted July 24, 2016.

**ARTICLE 2
EXECUTIVE BOARD**

Section 2.1 Number and Qualification.

(a) The affairs of the Association shall be governed by an Executive Board (defined by the Act) which shall consist of seven (7) persons. By resolution of the Executive Board, the number of directors may be reduced to five (5) in the event the seven director positions cannot be filled.

(b) A Director shall be a natural person and shall be an Owner of a Lot. If an Owner is a trust, partnership, limited liability company or corporation, any trustee, partner, member, manager, shareholder or officer of that Owner shall be eligible to serve as a member of said Executive Board and shall be deemed to be an Owner for the purposes of the preceding sentence; provided, however, that documentation evidencing the authority of such person to act on behalf of the foregoing trust, partnership, limited liability company or corporation is provided to the Executive Board. A member of the Executive Board is referred to as a "Director."

(c) The term of office of a director is three (3) years. Director terms are staggered such

RETURN: ENV:
Gregory Golden & Landeryou, LLC
1199 Main Ave., Suite 213
Durango, CO. 81301

that two (2) directors are elected at each Annual Meeting; except, however, at every third Annual Meeting, there shall be three (3) directors elected. No person may serve for more than two consecutive terms; after serving for two terms, there must be a "sitting out" period before a person can serve another term as a director. Directors shall serve from the period commencing after the Annual Meeting until such time as their successors are duly qualified and elected.

(d) Directors shall be elected at the Annual Meeting of Owners. This meeting may be called and the notice given pursuant to Section 3.5 by any Owner if the Executive Board fails to do so. Directors shall be elected by the Owners with each Owner having the vote allocated to it in the Declaration.

(e) Directors shall serve without compensation unless the Executive Board, by resolution, determines that the Association shall pay a fee for such service. Directors shall be entitled to reimbursement of reasonable costs and expenses incurred in connection with their duties as a director so long as approved by the majority of the Executive Board.

(f) A person may not serve on the Executive Board if that person is delinquent in the payment of any Association assessments.

Section 2.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board shall have all powers and duties set forth in the Act, subject to the limitations contained in the Declaration, necessary for the administration of the affairs of the Association and of the Common Interest Community, including the following powers and duties:

(a) Amend, or recommend amendments, to the Association Documents, namely, these Bylaws, the Declaration, any Rules and Regulations (the "Rules and Regulations"), any policies and procedures (the "Policies and Procedures") according to the terms and conditions of such documents;

(b) Adopt and amend budgets for revenues, expenditures and reserves;

(c) Levy and collect annual assessments for Common Expenses from Owners and also levy and collect special and default assessments;

(d) Hire and discharge managing agents;

(e) Hire and discharge employees, independent contractors and agents other than managing agents;

(f) Institute, defend or intervene in litigation or administrative proceedings, file liens, or seek injunctive relief for violations of the Association's Declaration, Bylaws, Rules and Regulations, or Policies and Procedures in the Association's name, on behalf of the Association or two or more Owners on matters affecting the Association;

- (g) Make contracts and incur liabilities; borrow funds for any purpose in connection with their duties and to execute all such instruments evidencing such indebtedness, including mortgages and security agreements; and assign the right to future income, including the right to receive common expense assessments;
- (h) Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- (i) Cause additional improvements to be made as a part of the Common Elements;
- (j) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to §38-33.3-312 of the Act;
- (k) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions through or over the Common Elements, such easements or licenses to include easements as may be necessary for underground utilities for electric, gas, cable and telephone and any easements necessary for sewer, storm, water and water systems;
- (l) Impose and receive a payment, fee or charge for services provided to Owners for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Subsections 202(1)(b) and (d) of the Act;
- (m) Impose a reasonable charge for late payment of assessments, recover reasonable attorney's fees and other legal costs for collection of assessments and other action to enforce the power of the Association (regardless of whether or not suit was initiated) and, after notice and hearing, levy a reasonable fine for a violation of the Declaration, Bylaws, and Rules and Regulations of the Association;
- (n) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;
- (o) Provide for the indemnification of the Association's officers and the Executive Board, committee members, and maintain Directors' and officers' liability insurance;
- (p) Exercise any other powers conferred by the Declaration or Bylaws;
- (q) Exercise any other power necessary and proper for the governance and operation of the Association;
- (r) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Owners and the Executive Board;

(s) Suspend the voting interests allocated to a Lot, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any assessment or, after notice and a hearing, during any time in which an Owner is in violation of any provision (other than non-payment of an assessment) of the Association Documents; and

(t) At its discretion and by resolution of the Executive Board, declare the office of a Director to be vacant in the event such Director fails to attend three (3) regular meetings, without reasonable excuse, of the Executive Board during any one year period.

Section 2.3 Manager. The Executive Board may employ a Manager for general management of the Association, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. The Executive Board may delegate to the Manager only those powers granted by the Executive Board through a written agreement with the Manager. Licenses, concessions and contracts may be executed by the Manager pursuant to the Manager's contract with the Executive Board or through specific resolutions of the Executive Board and to fulfill the requirements of the budget. The Executive Board shall not delegate to any managing agent any powers relating to the collection, deposit, transfer or disbursement of funds of the Association unless the managing agent maintains fidelity insurance coverage in an amount not less than two months current assessments plus reserves, as calculated from the current budget of the Association or such higher amount as determined by the Executive Board; provides an annual accounting for the Association funds; and maintains the Association's funds separate from funds of any other Association that may be managed by said managing agent.

Section 2.4 Removal of Directors. A written petition calling for the removal of a director may be submitted by the Owners to the President of the Executive Board. Provided the written petition has been executed by at least 10% of the eligible voting Owners in the Association, the President shall include the request for removal on the agenda of the upcoming annual or special meeting of the Owners. The Owners, by a vote of at least two-thirds of the Owners at any meeting of the Owners at which a quorum is present may remove any Director of the Executive Board, with or without cause. Written ballots shall not be utilized for this meeting. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

Section 2.5 Vacancies. Vacancies in the Executive Board, caused by any reason other than the removal of a Director by a vote of the Owners, may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy. Notwithstanding the foregoing, if a director's vacancy extends beyond the date of the next Annual Meeting, the position of the Board-appointed director will be up for election and the name of the Board-appointed director included on a ballot at the next annual meeting of the Owners. The Board-appointed director may only continue to serve beyond the Annual Meeting date if elected to do so by the majority vote of the Owners.

Vacancies of Directors resulting from the removal of a Director by Owners pursuant to Section 2.4 shall be filled at a special meeting of the Owners. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 2.6 Regular Meeting. Regular meetings of the Executive Board may be held at such time and place as shall be determined, from time to time, by the President or any two (2) Directors. Notice of regular meetings and copy of the proposed agenda of the Executive Board shall be given to each Director at least 2 days prior to the time of meeting. The time and place and agenda for regular meetings of the Executive Board shall be made reasonably available for examination by all members of the Association or their representatives by posting on the Association website and the bulletin board located in the mailroom no less than 2 days prior to the meeting. All regular meetings of the Executive Board shall be open to attendance by all Owners.

Section 2.7 Special Meetings. Special meetings of the Executive Board may be called by the President or by at least two Directors on at least 24 hours' notice to each Director. In addition to being posted, the notice shall be hand-delivered, or mailed, or emailed, and shall state the time, place and purpose of the meeting. All special meetings of the Executive Board shall be open to attendance by all members of the Association or their representatives. The time and place and agenda for special meetings of the Executive Board shall be made reasonably available for examination by all members of the Association or their representatives by posting in a conspicuous place.

Section 2.8 Location of Meetings. All meetings of the Executive Board shall be held within La Plata County (which shall include participation by electronic means as provided in Section 2.12) at a location determined by the President with consultation of the Executive Board.

Section 2.9 Waiver of Notice. Any Director may waive notice of any meeting in writing before or after such meeting. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all the Directors are present at any meeting, no waiver of notice shall be required, and any business may be transacted at such meeting.

Section 2.10 Quorum of Directors. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Executive Board. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.11 Action Taken Without a Meeting. The Directors will have the right to take any action which they could take at a meeting in the absence of a meeting by doing the following:

1. A written notice is sent to all Directors by the Secretary of the action proposed to be taken.
2. The notice states the time by which a Director must respond.

3. Each Director votes, in writing “for” or “against” or “abstains” or fails to respond to the action.

4. No two Directors demand a meeting for the proposed action.

Upon completion of the above procedure and provided that no two Directors have demanded a meeting for the proposed action, the action will have the same effect as though taken at a meeting of the Executive Board.

Section 2.12 Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Executive Board by using an electronic (video internet communication) or telephonic communication method whereby the Director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Executive Board. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

Section 2.13 Executive Board Member Education. The Executive Board shall provide training for new board members. The Executive Board may authorize and account for as a common expense of the Association, reimbursement of Executive Board members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of owners' associations. The course content of such educational meetings and seminars shall be specific to Colorado and shall make reference to the Act.

Section 2.14 Nomination of Directors. Nominations for election to the Executive Board shall be made by the Nominating Committee at least forty-five (45) days prior to the Annual Meeting. The Nominating Committee shall compile a slate of at least one (1) nominee for each position for election to the Board. Nominees who have been properly appointed by the Nominating Committee or by the Owners shall be included on the ballot. At least 30 days prior to the Annual meeting, the Secretary shall provide notice of the designated nominees to the Owners. At the Annual Meeting, additional names to be included on the ballot may be taken by nomination from the floor, provided such nominees have indicated in writing their willingness to serve if elected and provided such nominees have obtained a written petition evidencing the signatures of at least 10% of the Owners eligible to vote and this petition is submitted to the President of the Executive Board prior to the meeting's call to order. All nominees must meet the requirements for directorship as set forth in Section 2.1 of these Bylaws.

ARTICLE 3 OWNERS

Section 3.1 Annual Meeting. Annual Meetings of Owners shall be held each year, in June, on a date and time established at the discretion of the Executive Board. At the Annual Meeting, the Directors shall be elected by ballot of the Owners, in accordance with the provisions of Article 2 of these Bylaws. The Owners may transact other business as may properly come before them at these meetings.

Section 3.2 Budget Meeting. At a regular meeting of the Executive Board or at a special meeting called for such purpose, the Executive Board shall approve a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year. A summary of the proposed budget approved by the Executive Board shall be mailed or emailed to the Owners within thirty (30) days after its adoption along with a notice of a meeting of the Association to be held within a reasonable time after the delivery of the summary of the proposed budget to the Owners and may, if convenient, be the annual meeting date. Unless 75% of the eligible votes allocated to all Owners reject the proposed budget, the budget is deemed ratified. There are no quorum requirements for this meeting. In the event the proposed budget is rejected, the budget last ratified by the Owners continues until such time as the Owners ratify a subsequent budget proposed by the Executive Board as provided above. If the Executive Board deems it necessary or advisable to amend an annual budget that has been ratified, the Executive Board may adopt a proposed amendment to the annual budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall be within a reasonable time after the delivery of the summary of the proposed amendment. Unless at that meeting 75% of the eligible votes allocated to all Owners, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

Section 3.3 Special Meetings. Special meetings of the Owners may be called by the President, by a majority of the Directors or by written request of Owners comprising at least twenty-five (25%) of the votes in the Association. The request for the special meeting shall state the purpose of such meeting and the matter proposed to be acted upon at the special meeting.

Section 3.4 Place of Meetings. Meetings of the Owners (including special and annual meetings) shall be held at a suitable place convenient to the Owners, as may be designated by the President.

Section 3.5 Notice of Meetings. The Secretary or other officer specified in the Bylaws shall cause notice of meetings of the Owners to be posted on the Association website and the bulletin board in the mailroom and hand-delivered or sent by United States mail to the mailing address of each Lot or to the mailing address designated in writing by the Owner, not less than 30 days in advance of a meeting. **To all Owners who so request in writing and who furnish the Executive Board with their electronic mail addresses, the Association shall provide notice of all meetings of Owners by electronic mail. In the event an Owner has requested that the Executive Board communicate with such Owner via email, the Executive Board shall not be obligated to send such Owner any meeting notices or other correspondence via regular mail. In an effort to save the Association mailing expenses, the Association's preference is to correspond with Owners via email.**

No action shall be adopted at a meeting except as stated in the agenda. The notice of any meeting (including meetings of the Executive Board) shall be physically posted on the Association bulletin board in the mailroom and on the Association website, to the extent that such posting is feasible and practicable. The notice must state the time and place of any meeting, the items in the

agenda, including the general nature of any proposed amendment to the Declarations or Bylaws, any budget changes, and any proposal to remove an officer or member of an Executive Committee.

Section 3.6 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Owners in writing (which shall include written notification by way of email). Any reply or response from an Owner to a notice of meeting or written communication regarding an upcoming meeting shall be deemed equivalent to the Executive Board's receipt of a waiver of notice as to said meeting from such Owner. Attendance at a meeting by an Owner shall constitute a waiver of notice for such meeting.

Section 3.7 Adjournment of Meeting. At any meeting of Owners, a majority of the Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.8 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of memberships of the Executive Board (if required and noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of Directors of the Executive Board (when required);
- (h) Ratification of budget (if required and noticed);
- (i) Unfinished business; and,
- (j) New business.

Section 3.9 Voting.

(a) The Owner(s) of each Lot shall have a vote for each Lot as allocated in the Declaration.

(b) If only one of several owners of a Lot is present at a meeting of the Association, the owner present is entitled to cast the Vote allocated to that Lot. If more than one of the Owners is

present, the Vote allocated to the Lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the owners casts the Vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by another owner of the Lot.

(c) The Vote allocated to a Lot may be cast under a proxy duly executed by an Owner. An Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates 11 months after its date, unless it specifies a shorter term.

(d) The Vote of a corporation or trust may be cast by any officer of that corporation or trustee of that trust in the absence of express notice of the designation of a specific person by the Executive Board or bylaws of the owning corporation or business trust. The Vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The Vote of a limited liability company may be cast by any manager in the absence of express notice of the designation of a specific person by the limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or trust owner is qualified to vote.

(e) Votes allocated to a Lot owned by the Association may not be cast.

(f) All voting on any matter pertaining to the common interest community shall be by secret ballot, including contested elections of the Executive Board. (Uncontested elections of the Executive Board need not be made by secret ballot.) Secret ballot shall mean a voting process in which votes are cast by way of paper ballot and not by show of hands. The results of how each individual Owner has voted shall not be publicized to the members. The intent of this provision is to promote good relations within the Association and allow Owners the freedom to vote without negative repercussion from other members. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the Executive Board or the President. The volunteers shall not be Executive Board members and, in the case of a contested election for an Executive Board position, shall not be candidates. Volunteers shall not disclose how an individual voted or how an individual's proxy voted upon an issue to the extent any such information is known by the volunteers. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Owners participating in such vote.

Section 3.10 Quorum. Except as otherwise provided in these Bylaws, a quorum is deemed present throughout any meeting of the Owners, if persons entitled to cast 50% of the votes are present in person or by proxy.

Section 3.11 Majority Vote. The vote of a majority of the voting interests allocated to Owners, present in person or by proxy at a meeting at which a quorum is present, shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by the Act.

Section 3.12 Voting by Mail. The Executive Board may decide that voting of the Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by written ballot. Any action that may be taken at any annual or special meeting of Owners may be taken without a meeting if the secretary delivers a written ballot to every member entitled to vote on the matter. "Delivery" to the Owner of the ballot and the Owner's return of the completed ballot shall be made by the same methods available for providing notice to an Owner set forth in Section 3.5 above. Ballots may be returned via mail, electronic mail or by facsimile, all of which shall be treated as an original ballot.

(a) A written ballot shall (i) set forth the proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter.

(c) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter. Written ballots shall be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

ARTICLE 4 OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the president, the secretary, and the treasurer, all of whom shall be appointed by the majority vote of the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. An officer must be an Owner and a Director on the Association's Executive Board. The same individual may not hold more than one office in the Association.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Executive Board following the Annual Meeting or, thereafter, at the next scheduled meeting of the Board. Officers shall hold office at the pleasure of the Executive Board.

Section 4.3 Removal of Officers. Upon the affirmative vote of two-thirds of the Directors, any officer may be removed, whenever the Board in its discretion determines that the best interests of the Association would be served thereby. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose.

Section 4.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Owners and of the Executive Board.

The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The President shall serve as ex-officio member of all committees, except the nominating committee. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable. The President shall determine meeting dates and shall prepare the meeting agendas.

Section 4.5 Secretary. The secretary shall keep the minutes of all meetings of the Owners and the Executive Board. The secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary may cause to be prepared and may attest to execution by the president of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable. The Secretary shall be responsible for posting and delivery of meeting notices to Board members and, when applicable, to Owners. The Secretary shall also be responsible for posting of meeting agendas.

Section 4.6 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. The Treasurer, from time to time, may delegate the authority to deposit checks into the Association operating account. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by two Directors, one of whom may be the treasurer.

Section 4.7 Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.6, 4.7 and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

Section 4.8 Statements of Unpaid Assessments. The treasurer, assistant treasurer, or manager employed by the Association or, in their absence, any officer having access to the books

and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with §38-33.3-316 of the Act. The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense against the Lot for which the certificate or statement is furnished.

ARTICLE 5 INDEMNIFICATION

Section 5.1 To the extent the indemnification is covered by insurance procured by the Association, each Director and officer of this Association shall be indemnified by the Association against all costs and expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit, or proceedings to be liable for negligence or misconduct in the performance of duty; except as to matters as to which that person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing litigation, but only if the Association is advised in writing by its counsel that, in his opinion, the person indemnified did not commit such gross negligence or willful misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which a corporate officer or Director may be entitled as a matter of law or by agreement.

All liability, loss, damage cost and expense incurred or suffered by the Association by reason of, or arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense of the Association

ARTICLE 6 RECORDS

Section 6.1 Records and Audits. The Association shall maintain financial records in accordance with generally accepted accounting principles or the cash or tax basis of accounting. Audits shall be required by majority vote of the Executive Board or upon request of the Owners pursuant to C.R.S. 38-33.3-303(4) (b) (II). The cost of any audit shall be a Common Expense unless otherwise provided in the Documents. All Association records shall be kept in accordance with C.R.S. §38-33.3-317 as set forth in detail in the Policy and Procedures.

ARTICLE 7 AMENDMENTS TO BYLAWS

Section 7.1 Voting Requirement. These Bylaws of the Association may be amended by the consent of a majority of the votes of Owners (who are eligible to vote) in the Association. Any amendment to the Bylaws shall first require the approval of the Executive Board, following notice and comment to all Owners pursuant to Section 3.5, at any meeting of the Executive Board duly called for such purpose.

Section 7.2 Compliance with the Law. To the extent the Association, from time to

time, becomes subject to new laws and, in particular, new provisions of the Act, these Bylaws shall be deemed to be automatically amended in order to bring the Association into compliance with those laws.

ARTICLE 8 PUBLIC DISCLOSURES

Section 8.1 Within 90 days after the end of each fiscal year, the Association shall make the following information available to Owners upon reasonable notice in accordance with Section 8.2:

- (a) The date on which its fiscal year commences;
- (b) Its operating budget for the current fiscal year;
- (c) A list, by Lot, of the Association's current assessments, including both Annual and Special assessments;
- (d) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) The results of the most recent financial audit or review;
- (f) A list of all Association insurance policies, including but not limited to, property general liability, Association Director and officer liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (g) All Association Bylaws, Articles, and Rules and Regulations;
- (h) The minutes of the Executive Board and Member meetings for the fiscal year immediately preceding the current annual disclosure;
- (i) The Association's responsible governance policies adopted under Section 38-33.3-209.5; and,
- (j) The name of the Association; the name of the Association's manager or designated agent, a valid physical address and telephone number for the Association and designated agent or management company, if any; the name of the common interest community; the initial date of recording of the declaration and its reception number.

Section 8.2 Disclosure of the above-referenced items shall be accomplished by one of the following means: posting on an internet web page with accompanying notice of the web address via first class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such

distribution shall be accounted for as a common expense liability.

ARTICLE 9 COMMITTEES

Section 9.1. Members. With the exception of the Nominating Committee, all other Committees shall consist of a Chairperson who shall be designated by the President of the Executive Board and other committee members shall be designated by the Committee Chairperson and confirmed by the Executive Board.

Section 9.2. Standing Committees.

- 2.1 Architectural
- 2.2 Finance
- 2.3 Maintenance
- 2.4 Nominating

To the extent business has come before a committee in any month, a committee report shall be provided in written form to the Secretary of the Executive Board at or prior to the meeting.

Section 9.3. Architectural Committee. The Architectural Committee shall consist of a Chairperson, who may be a member of the Board, and no more than two (2) Owners, who shall be appointed by the chairperson and confirmed by the Board. There shall be two (2) alternate members also confirmed by the Board who shall act as substitutes in the event of the absence of a Committee member. All Committee members shall serve staggered terms and shall be confirmed by a majority vote of the Board at the first regular Board meeting following the Annual Meeting. The terms of all Architectural Committee members shall be three (3) years. The Architectural Committee shall carry out all duties imposed on it by the Declaration, shall adopt and enforce architectural guidelines and shall perform other duties delegated to it by the Board.

Section 9.4. Finance Committee. The Finance Committee shall consist of the Treasurer as Chairperson and no more than three (3) Owners who have accounting, finance or business experience. The members are selected by the Chairperson, each to serve three year terms. No member may serve for more than two consecutive terms; after serving for two terms, there must be a "sitting out" period before a member can serve another term as a committee member. The Committee shall participate in the preparation of the Annual Budget, recommend assessments to the Board of Directors and the manner in which said assessments shall be enforced and evaluate the Association's investment and capital expenditure program with warranted recommendations to the Board.

Section 9.5. Maintenance Committee. The Maintenance Committee shall consist of a Chairperson who may be a Director and at least three (3) Owners. The Committee shall be responsible for causing Association common areas (including but not limited to, Association

roads, ditches, drainage, and landscaped areas) to be maintained and in good condition, and for causing Association personal property and equipment related thereto, including irrigation equipment and facilities, to be maintained and in good working condition..

Section 9.6. Nominating Committee. The Nominating Committee shall consist of a Chairperson who shall be a Director and at least two (2) Owners. The Chairperson shall be appointed by a majority vote of the Executive Board at the first Board meeting following the Annual Meeting and shall serve through the close of the next Annual Meeting. The other two members of the Committee shall be confirmed at the second regular Board meeting following the Annual Meeting. The Committee shall develop a slate of at least one (1) nominee for each vacating position of Director for election and shall arrange with the Secretary for notifying the Owners of the slate of nominees in accordance with Section 2.15, and shall present said slate of nominees to the Owners of the Association for election at the Annual Meeting and shall serve as tellers at said election and handle all details associated therewith.

Section 9.7. Other Committees. The Board of Directors may from time to time appoint committees in order to provide advice, service, and assistance to the Association and to carry out such duties and responsibilities as directed by the Executive Board of the Association.

ARTICLE 10 MISCELLANEOUS

Section 10.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the President, or to the office of the Association if different from the President, or to such other address as the Executive Board may designate by written notice to all Owners and to those holders of First Mortgages in the Lots who have notified the Association that they hold a First Mortgage in a Lot and desire notice. Except as otherwise provided, all notices to any Owner shall be sent to the Owner's mailing address or email address as it appears in the records of the Association. All notices to holders of First Mortgages in the Lots shall be sent, except where a different manner of notice is specified elsewhere in the Association Documents, by mail to their respective addresses, as designated by them in writing to the Association. All notices from the Association to Owners shall be deemed to have been given when mailed or emailed. Notices from Owners to the Association, such as changes of address or email address, shall be deemed to have been given when received by the Association. Owners are encouraged to send any notice or change of address to the Association via mail and email care of both the Association's President and Secretary.

Section 10.2 Fiscal Year. Unless otherwise established by resolution of the Executive Board, the fiscal year of the Association commences on April 1st and ends on March 31st of the following year.

Section 10.3 Bank Accounts. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Executive Board and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by

checks signed by such persons as are authorized by the Executive Board.

Section 10.4 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 10.5 Office. The principal office of the Association shall be at such place as the Executive Board may from time to time designate.

Section 10.6 Parliamentary Rules. Robert's Rules of Order (latest edition) may be used as a guide as to the general conduct of the Association meetings when not in conflict with the Declaration, Articles, Policies and Procedures or these Bylaws. All procedural questions which are not otherwise set forth in the Declaration, Articles, Policies and Procedures, Bylaws or required by Colorado law shall be decided by a majority vote of the Executive Board.

Section 10.7 Standard of Care. In the performance of their duties, the Officers and Directors are required to exercise ordinary and reasonable care.

Section 10.8 Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

Section 10.9 Governance Policies. The nine (9) governance policies and procedures required by C.R.S. 38-33.3-209.5 of the Act are contained in a separate document entitled Governance Policies and Procedures for The Ranch Property Owners Association.

CERTIFICATION: Certified to be the Bylaws of The Ranch Property Owners Association, Inc., Nov 9, 2016.

Signature removed for privacy
Contact website@rpoadurango.com
By: to view signed document
Its: President

ATTEST:
Signature removed for privacy
By: Contact website@rpoadurango.com
Its: Secretary to view signed document