

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**SAN JUAN RANCH ESTATES ASSOCIATION, INC**

**ARTICLE I**

**Object**

**1.01 Purposes.** The purpose of this nonprofit corporation, the San Juan Ranch Estates Association, Inc., (hereinafter the “Association”), is to manage, maintain and govern the property situated in the County of Hinsdale, State of Colorado, which is known as the San Juan Ranch Estates – Filing No. 1 Subdivision and all amendments and supplements thereto (hereinafter the “Development”) and is to be constructed as part of a planned unit development.

**1.02 Owners Subject to Bylaws.** All present or future owners, tenants, future tenants, or any other person or entity that might use in any manner the properties or facilities of the Development located on the Development property are subject to the regulations set forth in these Bylaws. The mere acquisition, use, occupancy, lease, or rental of any of the properties within the Development (hereinafter the “Sites”) or the mere act of occupancy of any of said Sites will signify that these Bylaws are accepted, ratified, and will be complied with.

**ARTICLE II**

**Membership, Voting, Majority of Owners, Quorum**

**2.01 Membership.** Ownership of a Site is required in order to qualify for membership in this Association. Any person or entity on becoming an owner of a Site shall automatically become a member of this Association and be subject to these Bylaws. In case of co-ownership of a Site, all such co-owners will constitute one member so that each Site will be entitled to one membership only. Such membership shall terminate without any formal Association action whenever such owner ceases to own a Site, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Managers of the Association or others may have against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Managers may, if it so elects, issue membership cards to the Site owners. Such membership card shall be surrendered to the Secretary whenever ownership of the Site designated thereon shall terminate.

**2.02 Voting.** All members shall be entitled to vote on all matters brought before the Association for a vote, and each member (including co-owners of a Site) will be entitled to one vote. In case of co-ownership of a Site, such co-owners shall designate one of their number to vote on all matters submitted to members. Cumulative voting shall not be permitted in any matter subject to a vote of members.

**2.03 Definition of Majority.** As used in these Bylaws the term “majority of owners” shall mean those owners of more than fifty percent (50%) of the Sites in the Development.

**2.04 Quorum.** Except as otherwise provided in these Bylaws, the presence in person or by proxy of 40% of owners of the Sites shall constitute a quorum. An affirmative vote of a majority of the owners present, either in person or by proxy, shall be required to approve any item brought before the members, except an amendment to these Bylaws or Declaration as hereafter defined.

**2.05 Proxies.** Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

**2.06 Suspension of Privileges of Membership.** Notwithstanding any other provision contained herein, the Managers of the Association shall have the right to suspend the voting rights (if any) and the right to use the facilities of the Association of any member during

(a) Any period during which any Association assessment owed by such member remains unpaid; and

(b) The period of any continuing violation (as deemed by the Board of Managers of the Association) of the restrictive covenants for the Development.

### **ARTICLE III**

#### **Administration**

**3.01 Association Responsibilities.** The owners of the Sites will constitute the San Juan Ranch Estates Association, Inc., and will have the responsibility of administering the Association through a Board of Managers.

**3.02 Time and Place of Meetings.** Meetings of the Association shall be held at such time and place as the Board of Managers may determine. Place shall include physical and/or electronic meetings (virtual/online, telephonic).

**3.03 Annual Meeting.** The annual meetings of the Association shall be held on a date selected by the Board of Managers between June 15 and September 15 of each year. At such meetings there shall be elected by ballot of the members a Board of Managers in accordance with the

requirements of these Bylaws. The members may also transact such other business of the Association as may properly come before them.

**3.04 Special Meetings.** It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Managers or upon a petition signed by at least twenty percent (20%) of the members and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Notice of any such meeting must be given within thirty (30) days after receipt by the President of such resolution or petition and such meeting must be held within 50 days of such notice.

**3.05 Notice of Meetings.** It shall be the duty of the Secretary to notify Members of this association of meetings. Notice of owner business meetings at which a vote may be taken shall be by US Mail or personal delivery, stating the purpose thereof as well as the time and place where it is to be held, to each member at least ten (10) but not more than fifty (50) days prior to such meeting. For all other meetings, notice may be by US Mail, personal delivery or electronic means stating the purpose thereof as well as the time and place where it is to be held, to each member at least ten (10) but not more than fifty (50) days prior to such meeting. The sending of a notice in the manner provided in this paragraph shall be considered notice served.

**3.06 Adjourned Meetings.** If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained. At any such adjourned meeting, business that might have been transacted at the meeting as originally called may be transacted without further notice.

**3.07 Mail.** “Mail” shall mean and include any and all type of written communication whether transmitted by U.S. Mail or electronic means. Mail shall be deemed received by the intended recipient when deposited in the U.S. Mail, postage prepaid, properly addressed to the intended recipient at the physical address reflected on the records of San Juan Ranch Estates Association, Inc.

The Board of Managers may employ electronic mail or other delivery of notice, including posting communications to the website, for any and all notices that are not otherwise required to be mailed to Owners pursuant to Colorado law. Mail by electronic means, shall be deemed received by the intended recipient when sent to the electronic address reflected on the records of San Juan Ranch Estates Association, Inc.

## ARTICLE IV

### Board of Managers

**4.01 Number and Qualifications.** The affairs of the Association shall be governed by a Board of Managers composed of five persons. The number of Managers may be increased or decreased by amendment of these Bylaws; provided, however, that the number of Managers shall not be reduced to less than three nor increased to more than ten.

**4.02 Powers and Duties.** The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a prime residential development. The Board of Managers may take any actions as are directed by the members, providing such actions are not prohibited by law or by the Articles of Incorporation, or these Bylaws or by the Declaration of Restrictions, Covenants, Easements, Reservations and Architectural Control recorded in Hinsdale County, Colorado, as amended (hereinafter the "Declaration").

**4.03 Other Powers and Duties.** The Board of Managers shall be empowered and shall have duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration.

(b) To establish, make and enforce compliance with such reasonable rules, regulations, policies, and procedures as may be necessary for the operation, use and occupancy of this Development with the right to amend same from time to time. Such terms, including the singular of each, shall mean and include the others. A copy of such rules, regulations, policies and procedures shall be delivered to or mailed (U.S. or electronic) to each member promptly upon the adoption thereof.

(c) To hold title to and to keep in good order, condition, and repair all of the common areas, facilities and all items of property, if any, used in the enjoyment of the entire premises.

(d) To insure and keep insured all of the insurable common areas of the Development in an amount deemed appropriate by the Board of Managers and review same yearly. Further, to obtain and maintain comprehensive liability insurance covering the Association premises. To insure and keep insured all of the fixtures, equipment and property items acquired by the Association for the benefit of the Association and the owners of the Sites.

(e) To fix, determine, levy and collect the assessments to be paid by each of the members towards the gross expenses of the entire Development and by majority vote of the Board to adjust, decrease or increase the amount of the assessments, and to credit any excess of

assessments over expenses and cash reserves to the members against the next succeeding assessment period. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All assessments shall be in statement form and shall set forth the detail of the various expenses for which the assessments are being made.

(f) To impose penalties and collect delinquent assessments by suit or otherwise and to enjoy or seek damages from a member as is provided in the Declaration and these Bylaws.

(g) To protect and defend the entire premises from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and to execute all such instruments evidencing such indebtedness as the Board of Managers may deem necessary, and such indebtedness shall be the several obligations of all of the Sites equally; provided, however, the Board of Managers shall not borrow more than the following defined limits without the prior approval of a majority of the Sites:

(1) \$500 at any one time for any non-emergency expenditure or outlay, or

(2) \$100,000 for any emergency expenditure or outlay, provided the loan amount outstanding shall not exceed \$100,000.

The term "emergency" as used in this paragraph shall mean the existence of any condition in the Association's water system or bridge which, unless rectified in an expedient manner, shall have a present or near immediate adverse effect on the members' use and enjoyment of all or a substantial part of the property situated in the San Juan Ranch Estates and the Association's cash reserves for the replacement of the water system and the bridge is insufficient to allow the restoration of these assets to an operating status.

(i) To enter into contracts within the scope of their duties and powers.

(j) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Managers.

(k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the members, and upon affirmative vote of at least 50% of the members to cause a complete audit to be made of the books and accounts by an independent certified public accountant.

(l) To prepare and annually deliver by mail or electronically to each member a statement showing all receipts, expenses, or disbursements since the last such statement.

(m) To designate the personnel necessary for the maintenance and operation of the common areas and to delegate such of the above duties to such personnel as are appropriate.

(n) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the governing and the operation of this Development.

**4.04 Managing Agent.** The Board of Managers may employ for the Association a Managing Agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize and those specific duties and services set forth in Article V hereof.

**4.05 Election and Term of Office.** Each Manager on the Board of Managers shall be elected at the annual meeting of the members of the Association for a term of two years. The Managers shall hold office until their successors have been elected and hold their first meeting. Three members shall be elected in odd-numbered years and two members in even-numbered years.

**4.06 Vacancies.** Vacancies in the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by decision of the remaining Managers, even though they may constitute less than a quorum; and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association.

A nomination committee will be established on a yearly basis in order to solicit potential nominees for upcoming vacant positions on the Board of Managers. The committee will consist of three members. The committee chairperson is to be appointed by and report to the Board President. The committee chairperson will choose the other two committee members. The committee chairperson is to be appointed no later than 90 days prior to the scheduled annual membership meeting.

**4.07 Removal of Managers.** At any regular or special meeting duly called and purpose noted, any one or more of the Managers may be removed with or without cause by a majority of the members, (as defined in these Bylaws), and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

**4.08 Organizational Meeting.** The first meeting of a newly elected Board of Managers shall be held within fifteen (15) days of election at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected managers in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

**4.09 Regular Meetings.** Regular meetings of the Board of Managers may be held at such time and place as shall be determined, from time to time, by a majority of the Managers, but at least one such meeting shall be held each year. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail (U.S. or electronic), telephone or telegraph, at least three (3) days prior to the day named for such meeting.

**4.10 Special Meetings.** Special meetings of the Board of Managers may be called by the President on three (3) days' notice to each Manager, given personally, or by mail (U.S. or electronic), telephone or telegraph, which notice shall state the time, place (as hereinabove

provided) and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Managers.

**4.11 Waiver of Notice.** Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

**4.12 Board of Managers' Quorum.** At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If, at any meeting of the Board of Managers, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**4.13 Fidelity Bonds.** The Board of Managers may require that all Officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

## **ARTICLE V**

### **Officers**

**5.01 Designation.** The Officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer.

**5.02 Election of Officers.** The Officers of the Association shall be elected annually by the Board of Managers at the organization meeting of each new Board and shall hold office at the pleasure of the Board. One person may hold concurrently the office of Vice-President and Secretary, Vice-President and Treasurer, or Secretary and Treasurer, but the President shall serve only in the office of President.

**5.03 Removal of Officers.** Upon an affirmative vote of a majority of the members of the Board of Managers, any Officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.

**5.04 President.** The President shall be the chief executive Officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Managers. The President shall have all of the general powers and duties which are usually vested in the office of president of a

nonprofit corporation, including but not limited to the power to appoint committees from among the members from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

**5.05 Vice-President.** The Vice-President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his or her inability for any reason to exercise such powers and functions or perform such duties.

**5.06 Secretary.** The Secretary shall keep all the minutes of the meetings of the Board of Managers and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board of Managers may direct; and he or she shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall keep up to date in the records of the Association a complete list of members and their last known addresses. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same in accordance with the Inspection of Records Policy.

**5.07 Treasurer.** The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Managers and shall pay all charges and obligations of the Association before the same shall become delinquent. The Treasurer shall, in addition, be responsible for billing the members for all maintenance charges and assessments at least once annually.

**5.08 Managing Agent.** A Managing Agent shall have the responsibility for the maintenance of all common areas in the Development, snow removal, trash removal and enforcing and upholding the rules of the Association. He or she shall designate the hours of use of the recreational facilities. He or she shall be responsible for collection of such charges and assessments and shall have the authority to initiate liens and to turn over any unpaid amounts to the Association attorneys for collection. No Site owner shall rent or lease his or her Site without the Managing Agent's approval.



## **ARTICLE VI**

### **Indemnification of Officers and Managers**

The Association shall indemnify every Manager, Officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a Manager, Officer or Managing Agent of the Association, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his or her duty as such Manager, Officer or Managing Agent. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VI contained shall be deemed to obligate the Association to indemnify any member or owner of a Site who is or has been a Manager or Officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him or her.

## **ARTICLE VII**

### **Mailing Addresses**

**7.01 Registration of Mailing Address.** The owners of each Site shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and any other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association, except that certain notices may be via electronic mail as provided elsewhere in these Bylaws. Such registered address of an owner or owners shall be furnished by such owners to the Secretary within five (5) days after transfer of title, or after a change of address and such registration shall be in written form or by electronic communications and signed by all owners of the Site or by such persons as are authorized by law to represent the interest of all of the owners thereof.

**7.02 Association Address.** The address of the Association shall be as specified by the Board of Managers.

## **ARTICLE VIII**

### **Character of Association**

This Association is not organized for profit. No member, member of the Board of Managers, Officer or person for whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Managers, Officer or member; provided, however, always (1) that reasonable compensation may be paid to any member, Manager or Officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member, Manager, or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

## **ARTICLE IX**

### **Conveyances and Encumbrances**

Corporation property may be conveyed or encumbered by authority of the Board of Managers or such person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instrument executed by the President or an Assistant Secretary or Assistant Treasurer or executed by such other person or persons to whom such authority may be delegated by the Board.

## **ARTICLE X**

### **Amendments**

The Owners shall have the right to amend, delete, or supplement any provision of these Bylaws by means of any affirmative vote given by the greater of 51% of all of the Owners of the Sites, or 67% of the Owners of the Sites voting, either in person or by proxy, provided that any such amendment, deletion or supplement shall not have a materially adverse effect upon any vested right of an Owner under these Bylaws. Such vote shall be taken at a meeting of the Association called for such purpose. At any such meeting, each Site shall have one vote.

**CERTIFICATION**

By signature below, the Secretary of the Board of Managers certifies these Amended and Restated Bylaws received the approval of 66-2/3% of the Members of the Association.

San Juan Ranch Estates Association, Inc.,  
a Colorado nonprofit corporation

By: Karen Shaw  
Karen Shaw, Secretary

Date: July 25<sup>th</sup>, 2002