

BY-LAWS
Of
RANCH RESORTS ASSOCIATION, INCORPORATED

INTRODUCTION

These are the By-laws of the Ranch Resorts Association, Incorporated, which shall operate under the Colorado Nonprofit Corporation Act, as amended. The Board of Directors made an original Declaration of By-laws of Ranch Resorts Association, on July 1, 1982. That original Declaration of By-laws was amended and restated by the Board of Directors on May 21, 1995, September 9, 2001 and on July 20, 2002. These by-laws state that the By-laws may be amended with certain exceptions by the Board of Directors. Therefore, the By-laws of Ranch Resorts Association, Inc. are hereby amended and restated as follows:

ARTICLE 1: NAME AND LOCATION

The name of the Association is Ranch Resorts Association, Incorporated (hereinafter referred to as the "Association"). The principal address of the Association shall be PO Box 120, Florissant, Teller County, Colorado.

ARTICLE 2: PURPOSE OF THE ASSOCIATION

The purpose of the Association is to provide for the common good and general welfare of the ownership interests in Ranch Resorts, and the exercise of related powers conferred upon the Association by law, including, but not limited to, the enforcement of protective Covenants. This will assure that the properties shall at all times be occupied by a colony of congenial persons, that Ranch Resorts shall become and remain an attractive residential community, and that property values shall be upheld and enhanced.

ARTICLE 3: MEMBERSHIP

Ownership of any lot shown on the recorded plats of Ranch Resorts Subdivisions 1, 2, or 3 is required in order to qualify for regular membership in this Association. Any person on becoming an owner of such lot may become a regular member of this Association and be subject to these By-laws. Owners of property adjacent to Ranch Resorts, who wish to be associate members of the Association, may do so by paying the same dues as regular members. Regular or associate membership shall terminate whenever such person ceases to own such a lot, but this termination shall not relieve or release any such former member from any liability or obligation to the Association. Every member shall timely and in writing keep the Association informed of their own address change and of the name and address of any purchaser, transferee or lessee of their Ranch Resorts lot.

ARTICLE 4: VOTING RIGHTS

- 4.1 **Allocation.** Each voting member of the Association is entitled to exactly one (1) vote, regardless of the number or amount of Ranch Resorts subdivision property owned. In other words, no owner shall have more than one (1) vote. Also, only one (1) vote is allowed where multiple individuals/entities jointly own the same property.
- 4.2 **Qualification.** A member's annual dues must be paid for the current year to be eligible to vote.
- 4.3 **Associate Member.** Associate members are granted the same voting rights as regular voting members.
- 4.4 **Proxy.** Proxy votes are allowed at all general membership meetings. Proxies shall be in writing and sent to the Secretary prior to the meeting.

ARTICLE 5: DUES

- 5.1 **Purpose.** The dues shall be for the purpose as described in Article 2.

- 5.2 **Rate.** The annual dues are \$20.00 if you own one or more improved lots or \$10.00 if you own only one or more vacant lots.
- 5.3 **Duration.** Annual dues cover the period from January 1st to December 31st.
- 5.4 **Adjustments.** Dues may be adjusted by a majority vote of the Board of Directors and approved by a majority of voting members at the annual membership meeting.

ARTICLE 6: MEETINGS OF ASSOCIATION MEMBERSHIP

- 6.1 **Place of Membership Meetings.** Meetings of the Association members shall be held at the Four Mile Community Hall, Teller County Road #11, or at such place within Teller County as the Board of Directors directs, so long as such alternate location is reasonably convenient to the members.
- 6.2 **Annual Membership Meeting.** The annual membership meetings of the Association shall be held each year on such date as shall be selected by the Board of Directors, normally the last Sunday in August. At each annual meeting, Association officers shall be elected by ballot of the voting members. The members may transact such other business as may properly come before them at these meetings.
- 6.3 **Special Membership Meetings.** Special meetings of the Association members may be called by the President of the Association, by a majority of the members of the Board of Directors, or by members having twenty percent (20%) of the votes in the Association. The members may transact such other business as may properly come before them at these meetings.
- 6.4 **Notice of Association Meetings.** It shall be the duty of the Secretary of the Association to cause notice of meetings of the members of the Association to be hand-delivered, transmitted electronically, or sent prepaid by United States mail to the mailing address of each member or to any other mailing address designated in writing by the member not less than ten (10) nor more than fifty (50) days in advance of a meeting. The notice of any meeting must 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 to these By-laws, and any proposal to remove an officer or member of the Board of Directors.
- 6.5 **Quorum.** Except as otherwise provided in these By-laws or in the Declaration, the presence at the beginning of any meeting of the Association in person or by proxy of twenty percent (20%) of the votes entitled to be cast shall constitute a quorum present throughout the meeting.
- 6.6 **Majority Vote.** The vote of a majority of the members present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all members for all purposes except where a higher percentage vote is required in the Declaration, these By-laws, or by law.
- 6.7 **Rules of Meetings.** Complete minutes will be kept of each meeting. The Board of Directors may prescribe reasonable rules for the conduct of all meetings, and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE 7: BOARD OF DIRECTORS

- 7.1 **Board of Directors Responsibilities.** The Board of Directors, which shall also be known and referred to sometimes herein as the "Board", shall manage the affairs of the Association. In the event of any questions of interpretation or application, or any dispute or disagreement between any members concerning the provisions of the Protective Covenants or By-laws, the question, dispute or disagreement shall be submitted to the Board. The determination of such dispute or disagreement by the Board shall be binding on each and all such members, subject to the right of members to seek other remedies provided by law after such determination by the Board.
- 7.2 **Number and Qualification.** The Board of Directors shall be composed of the five (5) voting officers elected by the membership and the two (2) non-voting chairs of the Architectural Committee and the Covenants Committee appointed by the Board. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer, and a Member at Large. These officers will be the voting members of the Board. The two (2) non-voting committee chairs are advisory directors; they are not

voting members of the Board. One (1) person may hold concurrently more than one (1) director position except that the President may not serve as both President and Secretary. Board members must be regular members of the Association with annual dues paid.

7.3 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association. The Board may do all such acts and things as are not by law, the Articles, or these By-laws either prohibited or directed to be exercised and done by the members directly. The Board shall be empowered and shall have the duties as follows:

7.3.1 To administer and enforce the Protective Covenants.

7.3.2 To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary with the right to amend same from time to time.

7.3.3 To periodically fix, determine, levy and collect the dues to be paid towards the expenses of the Association and to adjust, decrease or increase the amount of the dues, refund any excess dues to the members, or credit any excess of dues over expenses and cash reserves to the members.

7.3.4 To establish bank accounts.

7.3.4 To keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit inspection thereof as is provided in the Declaration.

7.3.6 And, in general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operating of the Association, except as expressly prohibited by the Colorado Nonprofit Corporation Act.

7.4 Election and Term of Office. The officers of the Board shall be elected by a majority of the members voting at the annual membership meeting of the Association. The initial term of two (2) officers of the Board shall be for one (1) year; the initial term of two (2) officers of the Board shall be for two (2) years and the initial term of one (1) officer of the Board shall be for three (3) years, unless such officer is removed in the manner hereinafter provided. Thereafter at each annual meeting the members shall elect the same number of officers whose terms are expiring at the time of each election for a three (3) year term. Officers begin their term immediately after being elected at the annual membership meeting. The advisory committee chairs shall be appointed by the Board to serve a two (2) year term.

7.5 Vacancies. Vacancies in the Board caused by any reason other than the removal of a director by a vote of the Association shall be fulfilled by election by the remaining officers, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is duly elected and qualified at the next annual meeting of the Association.

7.6 Removal of Directors. At any annual or special meeting of the Association, duly called, any one (1) or more of the directors may be removed, with or without cause, by the vote of members representing an aggregate membership interest of at least sixty-seven percent (67%) of the members present and entitled to vote at any such meeting and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

7.7 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held each year. A meeting of the Board shall be held within thirty (30) days following each Association membership meeting. Notice of regular meetings of the Board shall be given to each director, personally or by mail, telephone, email, telegraph or teletype, at least three (3) days prior to the day named for such meeting. Meetings of the Board may be held at such places within Teller County as may be designated by the Board.

7.8 **Special Meetings.** Special meetings of the Board may be called by the President on three (3) days' notice to each director, given personally, or by mail, telephone, email, telegraph or telecopy, which notice shall set forth the time, place and purpose of the meeting. Special meetings of the Board may also be called by the President or Secretary in like manner and on like notice on receipt of a written request to call such a special meeting from at least two (2) directors.

7.9 **Board of Directors Quorum.** At all meetings of the Board, a quorum is deemed present throughout any meeting if persons entitled to cast fifty percent (50%) of the votes on that board are present at the beginning of the meeting. The act of a majority of officers present at a meeting at which a quorum is present shall be the acts of the Board.

7.10 **Rules of Meetings.** Complete minutes will be kept of each meeting. The Board may prescribe reasonable rules for the conduct of all meetings, and in the absence of such rules, Robert's Rules of Order shall be used.

7.11 **Compensation.** The members of the Board shall serve without salary or compensation. However, a director may be reimbursed for actual and reasonable (as approved by the Board) expenses incurred in performance of official duties.

ARTICLE 8: POSITIONS AND DUTIES OF THE BOARD OF DIRECTORS

8.1 **President.** The President shall be elected by the members and shall be the chief executive officer of the Board and the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have general supervision of the Association's business, affairs, and over its several officers. The President shall have all of the general powers and duties, which are usually vested in the office of the president of a nonprofit corporation.

8.2 **Vice President.** The Vice President shall be elected by the members and, in the absence or disability of the President, shall have all of the powers and authority and perform all the functions and duties of the President. The Vice President will normally chair the nominating committee and the budget committee and, in general, perform all the duties incident to the office of Vice President and director of a nonprofit corporation.

8.3 **Secretary.** The Secretary shall be elected by the members and shall keep the minutes of all the meetings of the Board and Association. The Secretary shall be the custodian of the records, books, and papers of the Association. The Secretary shall compile and keep up-to-date a complete list of members, showing the number or other appropriate designation of the Ranch Resorts property owned by such member, and their last-known addresses as shown on the records of Teller County and as provided by the member. The Secretary shall send out the required notices of all meetings and, in general, perform all the duties incident to the office of Secretary and director of a nonprofit corporation.

8.4 **Treasurer.** The Treasurer shall be elected by the members and shall have responsibility for Association funds, shall keep the financial records, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit, of the Association in such depositories as may be designated by the Board. The Treasurer shall maintain and operate the Association's mailbox and, in general, perform all the duties incident to the office of Treasurer and director of a nonprofit corporation.

8.5 **Member at Large.** The Member at Large shall be elected by the members; shall remain informed of all matters concerning the Association in order to provide the tie-breaking fifth vote as required, and, in general, perform all the duties incident to the office of director of a nonprofit corporation.

8.6 **Chair of the Architectural Committee.** The Chair of the Architectural Committee shall be appointed by the Board, shall perform duties as outlined in the Protective Covenants Article 2 through Article 8, and, in general, perform all the duties incident to the office of director of a nonprofit corporation.

8.7 **Chair of the Covenants Committee.** The Chair of the Covenants Committee shall be appointed by the Board, shall ensure compliance with the Protective Covenants, and, in general, perform all the duties incident to the office of director of a nonprofit corporation.

ARTICLE 9: CHECK CASHING

All Association checks will be prepared by the Treasurer and signed by an officer of the Association other than the Treasurer. Completion of an Association check requires two (2) officers.

ARTICLE 10: INSPECTION OF RECORDS

Any member, insurer or guarantor of any member's mortgage, and prospective purchaser of a Ranch Resorts property, may inspect the Association's records of receipts and expenditures at any reasonable time and place during convenient weekday business hours, and, upon ten (10) days' notice to the Board, and upon payment of a reasonable fee, not to exceed fifty dollars (\$50.00), shall be furnished a statement of receipts and expenditures, an account setting forth the amount of any unpaid charges due, current copies of the Protective Covenants, By-laws, Articles of Incorporation, any Rules and Regulations, and most recent financial statements of the Association.

ARTICLE 11: COMPLIANCE

These By-laws are intended to comply with the requirements of the Colorado Nonprofit Corporation Act. If any provisions of these By-laws conflict with the provisions of any of the Colorado Nonprofit Corporation Act, as the Act may be amended from time to time, it is hereby agreed that the provisions of the appropriate Act will apply.

ARTICLE 12: AMENDMENTS

The Board at any duly called meeting of the Board, except as noted below, may amend these By-laws. However, such amendments must be approved by a majority vote of the voting members present and represented by proxy at the next annual meeting or they shall become ineffective as of the date of that annual membership meeting. The Board shall not have the power to amend the By-laws regarding the Association voting rights or voting procedures. These can only be changed by an affirmative vote of the votes cast at an annual membership meeting. The President and Secretary of the Association may prepare, execute, certify and record amendments to the By-laws.

ADOPTED by the Board of Directors on July 20, 2002.

In witness whereof, these By-laws of the Ranch Resorts Association, Inc. have been executed and effected this twentieth day of July, 2002, by the undersigned officers of the Ranch Resorts Association, Inc., a Colorado Nonprofit Corporation.

By: Jim Powell Jim Powell, President By: Archie Clemmons Archie Clemmons, Vice President By: Kathy Stone Kathy Stone, Secretary
By: Sharon Harkness Sharon Harkness, Treasurer By: Jill Ebert Jill Ebert, Member at Large