

**RESTATED BYLAW**  
**OF**  
**CATHEDRAL PEAK RANCH**  
**LANDOWNER'S ASSOCIATION, INC.**

THESE RESTATED BYLAWS of CATHEDRAL PEAK RANCH LANDOWNER'S ASSOCIATION, INC. ("Bylaws"), a Colorado nonprofit corporation, are effective the 16<sup>th</sup> day of February, 2019, and are adopted pursuant to the Colorado Revised Nonprofit Corporation Act (the "Nonprofit Act"). These Bylaws replace and supersede, in all respects, all prior bylaws of the Association. In the event of a conflict between these Bylaws, the Articles of Incorporation of Cathedral Peak Ranch Landowner's Association Inc., as amended (the "Articles of Incorporation"), or the Protective Covenants of Cathedral Peak Ranch (the "Protective Covenants"), the Articles of Incorporation and the Protective Covenants shall control over the Bylaws, and the Protective Covenants shall control over the Articles of Incorporation.

**ARTICLE I**  
**NAME AND LOCATION**

The name of the corporation is *CATHEDRAL PEAK RANCH LANDOWNER'S ASSOCIATION, INC.* (the "Association"). The principal office of the Association shall be located at the residence of the Secretary as recorded at the election of officers meeting held directly after the annual meeting of the Members of each calendar year, until further changed. However, meetings of Members and Directors may be held at such places within Montrose County, Colorado or Delta County, Colorado as may be designated from time to time by the Board of Directors.

**ARTICLE II**  
**OBJECT**

2.1. **PURPOSE.** The purposes of the Association are set forth in the Articles of Incorporation, as amended from time to time.

2.2. **EFFECT OF BYLAWS.** Every owner of a Tract ("Owner"), tenant, and any other persons that may use the Real Estate (as that term is defined in the Protective Covenants) in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the tracts (as that term is described in the Protective Covenants) located within the Real Estate ("Tracts" in these Bylaws), or the mere occupancy of any Tract, signifies each such user's acceptance of, ratification of, and obligation to comply with, these Bylaws.

**ARTICLE III**  
**ELIGIBILITY FOR MEMBERSHIP**

3.1. **MEMBERSHIP.** Every Owner of one or more Tracts on the Real Estate shall be entitled and required to be a Member of the Association subject to the voting rights provisions of this Article III. No person or entity other than an Owner of one or more Tracts may be a Member. By accepting a deed to a Tract or other conveyance the acceptance of which would render the holder an Owner, membership in the Association shall be appurtenant to and inseparable from a Tract. No Owner shall be entitled to sever his or her ownership interest in a Tract from membership in the Association, provided, that this shall not be construed as precluding an Owner from creating or severing a co-tenancy joint tenancy or any other form of co-ownership with any other person or persons

3.2. ALLOCATION OF VOTES. Each Tract shall be allocated one vote in the Association. If any Tract is owned by two (2) or more persons, whether by joint tenancy, tenancy in common, or otherwise, the membership as to such Tract shall be joint and a single membership for such Tract shall be issued in the names of all the Owners, and they shall designate to the Association, in writing, at the time of issuance, one person, who shall hold the membership and have the power to vote the membership. If the Owners of the Tract are unable to agree on a voting action, their vote will not be counted.

3.3. TRANSFER OF MEMBERSHIP. Membership in the Association may not be transferred except in connection with the transfer of ownership of a Tract and shall be automatically transferred by conveyance of a Tract without additional action or documentation, but the Association shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and records of the Association as a Member for all purposes until such time as evidence of a transfer of title, satisfactory to the Association, has been submitted to the Secretary. A transfer of membership shall not release the transferor from liability for obligations accrued incident to such membership prior to such transfer. In the event of dispute as to ownership, title to the Tract, as shown in the records of the County Clerk and Recorder of Montrose County, Colorado, shall be determinative.

#### ARTICLE IV ADMINISTRATION AND MEETINGS OF MEMBERS

4.1. ANNUAL MEETING. The annual meeting of the Members shall be at a date and time determined by the Board of Directors for the purpose of electing Directors and for the transaction of such other business as may lawfully come before the meeting.

4.2. SPECIAL MEETINGS. Special meetings of the Members may be called by the President, by a majority of the Board of Directors, or by Members holding not fewer than twenty-five percent (25%) of the votes of the Association upon delivery of a written request for such meeting to the President. Notice of the meeting shall be given in accordance with Section 4.4.

4.3. LOCATION OF MEETING. The Board of Directors shall designate any place within Montrose County, Colorado or Delta County, Colorado as the location of any meeting. One or more Members may participate in any Members meeting by any means of communication by which all persons participating in the meeting can hear one another simultaneously. Such participation shall constitute presence in person at the meeting.

4.4. NOTICE OF MEETINGS; WAIVER OF NOTICE.

4.4.1. Not fewer than thirty (30) nor more than fifty (50) days in advance of any Members meeting the Secretary shall cause notice to be hand-delivered 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. Alternatively, to the extent feasible and practical, notice may be sent to the Members via fax or electronic mail.

4.4.2. Notice of any meeting must state the date, time and place of the meeting and any matters that require Member approval, including the general nature of any proposed amendment to the Bylaws (if the Members, rather than the Directors, are voting to amend), the Protective Covenants or the Articles of Incorporation, any budget changes, any proposal to remove a Director, and any proposal to dissolve the Association.

4.4.3. A Member may waive notice of any meeting, or any other notice required by these Bylaws, by a writing signed by the Member entitled to notice which is delivered to the Secretary (either before or after the date and time stated in the notice) for inclusion in the minutes or for filing with the Association's records. A Member's attendance at a meeting:

- (a) Waives objection to lack of notice or defective notice of the meeting, unless the Member, at the beginning of the meeting, objects to holding the meeting on the basis of lack of notice or defective notice; and
- (b) Waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the Member objects to considering the matter when it is first presented.

4.5. QUORUM.

4.5.1. A quorum shall be deemed present throughout any Members meeting if persons with the authority to cast not fewer than twenty-five percent (25%) of the votes which may be cast for election of the Board of Directors of the Association are present in person or by proxy at the beginning of the meeting. Upon failure of a quorum, an adjournment may be taken by the vote of a majority of the Members present for a period not to exceed thirty (30) days at any one adjournment.

4.5.2. If a quorum exists, action on a matter shall be approved if the votes cast by the Members present at the meeting which favor the action exceed the votes cast in opposition to the action, unless a greater number of votes is required by law, the Articles of Incorporation, the Protective Covenants, or these Bylaws; if there are more than two (2) choices or candidates, the choice or candidate receiving a plurality of votes, whether or not a majority of the total votes cast, shall be the prevailing choice or candidate.

4.6. ORDER OF BUSINESS AND PARTICIPATION AT MEETINGS.

4.6.1. The chairperson shall determine the order of business at all meetings of the Members.

4.6.2. All meetings of the Association shall be open to all Members. At an appropriate time determined by the chairperson, but before the vote on an issue under discussion, Members shall be permitted to speak up to five (5) minutes regarding that issue. The chairperson may establish a reasonable limit to the number of Members speaking on the same issue during the meeting.

4.7. PROXY. Members are entitled to vote at any Members meeting in person or by written proxy, properly signed by the Member or his or her duly authorized attorney-in-fact. Any transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment. Proxies shall be filed with the Secretary before or at the time of the meeting. A proxy terminates eleven months after its date, unless it provides otherwise. A Member may not revoke a proxy except by actual notice of revocation to the chairperson presiding over the meeting at which the proxy will be cast. A proxy is void if it is not dated or if it purports to be revocable without notice. Per C.R.S. § 7-127-204(3), the Association has the right to reject a proxy if the person tabulating the votes has reasonable basis for doubt about the validity of the signature.

4.8. FIXING RECORD DATE. For the purpose of determining Members entitled to notice or to vote at any Members meeting, the Board of Directors may fix a date in advance as the record date. Such date

shall not be fewer than ten (10) nor more than fifty (50) days prior to the date on which the action is to be taken. If the Directors do not fix such a record date, the record date shall be the close of business on:

- (a) With respect to any meeting, the day before the first notice is delivered to Members; and
- (b) With respect to any informal action taken pursuant to Section 4.10, the date the first Member signs a written consent.

4.9. INFORMAL ACTION BY MEMBERS. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a majority of the Members entitled to vote agree and consent to such action in writing. Such consent may be executed in counterparts (more than one document) and received by fax, email or other form of communication providing the Association with a complete copy of the document, including a copy of the signature on the document. Unless the Members establish a different effective date, action is taken at the time the last Member signs the consent. Such consent shall have the same effect as action taken at a meeting of the Members and may be described as such in any document. A Member may revoke his or her consent by a written revocation signed by the Member and received by the Association before the last Member has signed the consent, in which case the action proposed in the consent by the member shall be invalid. Promptly after all of the writings necessary to effect the action have been received by the Association, the Association shall give notice of such action to all Members who were entitled to vote upon the action.

4.10. ACTION BY WRITTEN BALLOT.

4.10.1. Any action that may be taken at any Members meeting may be taken without a meeting if the Association delivers a written ballot (in the manner provided in subsection 4.4.1) to every Member entitled to vote on the matter. The written ballot shall state each proposed action and provide an opportunity to vote for or against such proposed action. Approval by written ballot shall only be valid 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 at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. If there are more than two (2) choices or candidates, and the quorum requirements are met, the choice or candidate receiving a plurality of votes, whether or not a majority of the total votes cast by ballot, shall be the prevailing choice or candidate. A written ballot may not be revoked.

4.10.2. Solicitations for votes by written ballot shall:

- (a) Indicate the number of responses needed to meet the quorum requirements;
- (b) State the percentage of approvals necessary to approve each matter other than election of Directors;
- (c) State the time by which the ballot must be received by the Association in order to be counted; and
- (d) Be accompanied by written information sufficient to permit each Member voting to reach an informed decision on the matter.

4.11. MEMBERSHIP AND MEMBERS LIST. After fixing a record date pursuant to Section 4.8, the Association shall prepare a list of the names of all its Members who are entitled to notice of, and to vote

at, the meeting or to take such action by written ballot, and the number of votes each Member is entitled to vote at the meeting or by written ballot.

4.12. TRANSACTIONS REQUIRING MEMBERSHIP APPROVAL. Notwithstanding anything to the contrary stated elsewhere in these Bylaws, neither the Board of Directors, nor any committee of the Board, nor any officer, agent or employee of the Association, shall take any of the following actions without the prior approval of the voting Members, unless otherwise provided by law, the Protective Covenants, or the Articles of Incorporation:

- (a) Amendment or restatement of the Protective Covenants or Articles of Incorporation;
- (b) Merger, dissolution, or sale or other disposition of substantially all of the assets of the Association;
- (c) Sale, lease, disposition, pledge, gift or encumbrance of any interest in real or personal property belonging to the Association, except in accordance with the established policies for such matters approved from time to time in advance by the voting Members;
- (d) Aggregate borrowing of the Association for any period for any purpose in excess of \$5,000.00, or of a dollar amount to be established by the voting Members from time to time; the term "borrowing" for these purposes shall include any commitment for the payment of money pursuant to any contract; or
- (e) Except for legal expenses or road and ditch maintenance and/or improvement expenses, which are within the Board's discretion, the Board may not make any expenditures: (i) in excess of \$500.00 of a nature that was not reflected in a budget approved in advance of such expenditure by the voting Members; or (ii) that either singly or when aggregated with all other similar amounts throughout the Association's fiscal year exceeds 10% of the amount budgeted for such expenditure or class of expenditures pursuant to a budget approved in advance of such expenditure by the voting Members.

Nothing in this Section 4.12 shall be construed to prohibit or limit the Board's authority to make expenditures that are reflected in a budget approved by the voting Members.

## ARTICLE V BOARD OF DIRECTORS

5.1. NUMBER AND QUALIFICATIONS. The business, property and affairs of the Association shall be managed, controlled and conducted by a Board of Directors consisting of not fewer than five (5) and not more than fifteen (15) Members, the exact number to be determined by the Members of the Association at the annual meeting. Only Members in good standing (who have paid all assessments, fines and any other obligations due and owing to the Association) may serve on the Board of Directors. Only one representative of each Tract (as described in Section 3.1) may serve on the Board of Directors at any given time.

5.2. POWERS AND DUTIES. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Members.

5.3. NOMINATION OF DIRECTORS. Nominations for election to the Board of Directors may be submitted to the Secretary, in writing, by any Member or Director through and including the day before the election date, but not more than fifty (50) days prior to such date. Unless the vote is being conducted by written ballot without a meeting under Section 4.10, nominations from the floor may be made at the meeting in which the election is held immediately prior to the vote.

5.4. ELECTION AND TERM OF OFFICE. Directors shall be divided into three (3) classes so that the terms of one-third (or as close as possible) of the Directors shall expire each year. At each annual Members meeting, the number of Directors equal to that of those whose terms have expired, or such lesser number as the Members shall determine, shall be elected for a term of three (3) years. At the expiration of any term, any Director may be re-elected.

5.5. VACANCIES. Vacancies on the Board of Directors caused by any reason may be filled for the remainder of the vacating Director's term by a vote of a majority of the remaining Directors, even though they may consist of less than a quorum.

5.6. REMOVAL OF DIRECTORS. At any regular or special meeting of the Members, any one or more of the Directors may be removed with or without cause at any time by the affirmative vote of a majority of all votes entitled to be cast by the entire membership of record, and a successor may then be elected to fill the vacancy created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. A Director who has failed to attend three (3) consecutive board meetings shall be deemed to have resigned upon a confirming vote of a majority of the Board.

5.7. COMPENSATION. No compensation shall be paid to Directors for their services as Directors. No compensation shall be paid to a Director for services performed by him or her for the Association in any capacity unless all of the Directors (except the one requesting compensation) vote in favor of a resolution authorizing such compensation. However, upon a majority vote of the Directors, a Director may be reimbursed for actual expenses incurred in performance of the Director's duties. The compensation allowed to Directors shall be changed only by action of the Members. This Section 5.7 may only be amended by the Members.

5.8. ORGANIZATION MEETING. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after its election at such time and place in Montrose County, Colorado or Delta County, Colorado as shall be fixed at the meeting at which the new Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

5.9. REGULAR MEETINGS. Regular meetings of the Board of Directors 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 one such meeting shall be held during each fiscal year. Regular meetings shall be open to all Members. Members shall be permitted to speak up to five (5) minutes at meetings. The chairperson may limit this as described in paragraph 4.6.2. Notice of regular meetings shall be given to each Member and Director, personally, by mail, telephone, fax, or e-mail, at least thirty (30) days prior to the date of the meeting.

5.10. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or by one-third of the Directors on fifteen (15) days' advance notice to each and every Member and Director, given personally or by mail, telephone, fax or e-mail, which notice shall state the time, place and purpose for the meeting. Should a situation develop in which the purpose for the

meeting, if not acted upon within fifteen (15) days, would seriously jeopardize or prove costly to the Association, the fifteen (15) days' notice may be waived.

5.11. MEETING BY TELECOMMUNICATIONS. One or more Directors may participate in any meeting by any means of communication by which all Directors participating in the meeting can hear one another simultaneously. Such participation shall constitute presence in person at the meeting.

5.12. EXECUTIVE SESSION. Notwithstanding any other provision in these Bylaws to the contrary, the Board of Directors may hold an executive or closed-door session and may restrict attendance to Directors and such other persons requested by the Board during any regular or special meeting. The matters to be discussed at such an executive session may include only the following:

- (a) Matters pertaining to employees of the Association or a managing agent's contract, or involving the employment, promotion, discipline or dismissal of an officer, agent or employee of the Association;
- (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings, or matters that are privileged or confidential between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory or judicially imposed requirements protecting particular proceedings or matters from public disclosure; or
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

5.13. WAIVER OF NOTICE. Any required notice of meeting may be waived by a Director, provided such Director shall have filed a written waiver of the notice with the Secretary prior or at the time of the meeting. A Director who appears at any meeting automatically waives any deficient notice of the meeting.

5.14. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting to a later date. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

5.15. ADJOURNMENTS. In the event of any unfinished business at a meeting, the Board of Directors may adjourn the meeting for such time as may be prudent or necessary in the interests of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

5.16. FIDELITY BONDS. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds, the premiums for which shall be paid by the Association.

5.17. INFORMAL ACTION BY DIRECTORS. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if each and every Director in writing either votes for the action, or votes against such action or abstains from voting, and waives the right to demand that

action not be taken without a meeting. Such consent may be executed in counterparts (more than one document) and received by fax, email or other form of wire or wireless communication providing the Association with a complete copy of the document, including a copy of the signature on the document. Unless the Directors establish a different effective date, action is taken at the time the last Director signs the consent. Such consent shall have the same effect as action taken at a meeting of Directors and may be described as such in any document. A Director may revoke his or her consent only by a written revocation signed by the Director and received by the Secretary before the last Director has signed the consent. All signed written instruments necessary for any action taken pursuant to this Section 5.17 shall be filed with the minutes of the Board of Directors.

5.18. COMMITTEES.

5.18.1. There shall be a Road and Water Committee, a Building and Grounds Committee, and a Legal Committee, each of which shall be comprised of three (3) or more Directors as determined by the Board from time to time. The functions and authority of these committees shall be determined by the Board, subject to the restrictions in this Section 5.18.

5.18.2. By resolution adopted by a majority of the Directors then in office, the Board of Directors may designate one or more committees, and appoint one or more Directors to serve on them. To the extent provided in the resolution, any such committee may have all the authority of the Board, as designated in the resolution establishing the committee, except that no committee shall have the authority to: (a) authorize distributions; (b) elect, appoint, or remove any Director; (c) amend the Articles of Incorporation; (d) adopt, amend or repeal these Bylaws; (e) approve a plan of merger; or (f) approve a sale, lease, exchange or other disposition of all, or substantially all, of the Association's property, with or without goodwill, otherwise than in the usual and regular course of business subject to approval by the Board of Directors. The Board of Directors may establish any requirements for the governance of such committees that comply with these Bylaws, the Protective Covenants, the Articles of Incorporation, and law.

5.18.3. The Board of Directors may establish one or more committees, advisory boards, auxiliaries or other bodies of any kind whose members are not Directors in order to provide advice, service and assistance to the Association; except that such committees may not exercise any power or authority reserved to the Board of Directors by the Nonprofit Act, the Protective Covenants, the Articles of Incorporation, or these Bylaws.

**ARTICLE VI**  
**OFFICERS**

6.1. DESIGNATION AND QUALIFICATIONS. All officers shall be natural persons (an individual as opposed to a private or public organization), eighteen (18) years of age or older. The principal officers of the Association shall be a President, First Vice President, Second Vice President, Secretary and Treasurer, who shall be elected by the Board of Directors. The positions of the Secretary and Treasurer may be combined if the Board deems it appropriate.

6.2. ELECTION AND TERM OF OFFICE. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board, and each shall hold office for a period of one year, unless he or she shall resign, be removed, or otherwise be disqualified to serve.

6.3. RESIGNATION AND REMOVAL. Any officer may resign at any time by giving written notice of their resignation to the Board, the Secretary, or the President. Any officer may be removed



from office, with or without cause, upon an affirmative vote of a majority of the members of the Board of Directors, and his or her successor elected at any regular meeting of the Board or at any special meeting called for that purpose. The officer to be removed will be notified prior to the Board taking such action.

6.4. VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer so appointed shall serve for the remainder of the term of the officer he or she replaces.

6.5. PRESIDENT. The President shall, subject to the direction and supervision of the Board of Directors, be the chief executive officer of the Association and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees (if any). The President shall serve as chairperson at all meetings and shall preside over all meetings. The President shall present a report of the general conduct and transactions of the Association at the annual meeting of the Members. The President shall have custody of the treasurer's bond, if any.

6.6. FIRST VICE PRESIDENT. The First Vice President will preside in the absence of the President.

6.7. SECOND VICE PRESIDENT. The Second Vice President will preside in the absence of the President and the First Vice President.

6.8. SECRETARY. The Secretary shall: (a) perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors; (b) keep the minutes of the proceedings of the members and the Board of Directors; (c) see that all notices are duly given in accordance with the provisions of the Protective Covenants, these Bylaws, or as required by law; (d) be custodian of the Association's records and authenticate Association documents; and (e) maintain a record containing the names and addresses of all Members.

6.9. TREASURER. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, shall deposit all funds in the name of the Association in such depositories as shall be designated by the Board of Directors, shall keep correct and complete books and records of financial transactions and condition of the Association, and shall submit such reports as the Board of Directors may require. The Treasurer shall, at the end of each fiscal year, submit the books and any required records for audit to an independent public accountant and shall provide the auditor's report at the next annual Members meeting. The Treasurer shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the President.

6.10. COMPENSATION. No compensation shall be paid to officers for their services as officers, nor shall any compensation be paid to any officer for services performed by him or her for the Association in any other capacity, unless all of the Directors vote in favor of a resolution authorizing such compensation.

## ARTICLE VII ASSOCIATION RECORDS

7.1. GENERAL. The Association shall keep as permanent records copies of: (a) the Articles of Incorporation and any amendments; (b) the Protective Covenants and any amendments; (c) these Bylaws and any amendments; (d) minutes of all meetings of the Members and the Board of Directors; (e) all

actions taken by the Members or Board by written ballot or written consent in lieu of a meeting; and (f) all actions taken by a committee of the Board in place of the Board on behalf of the Association.

7.2. EXAMINATION AND COPYING. A Member is entitled to inspect and copy, during regular business hours at the Association's principal office, any of the records of the Association (except records produced in or related to executive session of the Board under Section 5.12) if the Member gives the Board written demand at least five (5) business days before the date on which the Member wishes to inspect and copy such records. Such records specifically include, but are not limited to, financial statements, contracts, and the ledger of Association expenditures. The Association may charge a fee, which may be collected in advance, but which shall not exceed the Association's actual cost per page, for copies of Association records.

## ARTICLE VIII INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify a Director (as defined in C.R.S. § 7-129-101(1)) made a party to a proceeding against liability incurred in the proceeding if the Director acted in good faith and reasonably believed, in the case of conduct in an official capacity with the Association, that the Director's conduct was in the Association's best interests, and in all other cases, that the Director's conduct was at least not opposed to the Association's best interests; and in the case of any criminal proceeding, the Director had no reasonable cause to believe his or her conduct was unlawful. The Association shall not indemnify a Director in connection with a proceeding by or in the right of the Association in which the Director was adjudged liable to the Association, or in connection with any other proceeding charging that the Director derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the Director was adjudged liable on the basis that he or she derived an improper personal benefit. The Association shall indemnify a Director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Director was a party because of his or her capacity as a Director. Indemnification under this Article VIII is limited to reasonable expenses incurred in connection with the proceeding. An officer is entitled to the same indemnification as a Director under this Article VIII. The Association may indemnify an employee, fiduciary, or agent to the same extent as a Director.

## ARTICLE IX MISCELLANEOUS

9.1. CONTRACTS. The Board of Directors may authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of the Association, except as otherwise specifically required by the Articles of Incorporation or these Bylaws.

9.2. EXECUTION OF ASSOCIATION DOCUMENTS. All notes, checks and other financial documents and obligations of the Association must be executed by two (2) officers. All other documents may be executed only by the President, First Vice President (when the President is unavailable), or Second Vice President (when the President and the First Vice President are both unavailable).

9.3. FISCAL YEAR. The fiscal year shall begin October 1 and end on September 30.

9.4. ANNUAL ASSESSMENTS. The Board of Directors shall fix, levy and collect assessments in accordance with the terms and provisions set forth in the Protective Covenants. Any assessment so levied by the Association shall be due and payable within two (2) months after written notice of the assessment has been deposited in the United States Mail addressed to the Owner's address listed

with the Association. The Association shall at no time expend more money within any one year than the total amount of income from donations, leases and assessments for that particular year, or any surplus which it may have from prior years, nor shall the Association enter into any contract binding the assessments of any future years to pay for any such obligation, except for contracts for utilities or water system improvements, it being the intention that the assessments for each year shall be applied as far as practicable toward the payment of the obligations of that year.

9.5. BUDGET. At each annual Members meeting the Board of Directors shall present a proposed budget for the operation of the Association during the forthcoming year, which shall include such items of expense as shall be determined from time to time by the Board of Directors.

9.6. LEASES. The Association has the authority to enter into grazing and outfitter leases in accordance with the Protective Covenants and Articles of Incorporation, for the purpose of collecting monies and expending such monies in accordance with the budget approved by the Members.

9.7. CONFLICT OF INTEREST. Each Director, officer, and member of a committee with governing authority shall annually sign a statement acknowledging that he or she has received, read, and understands the Conflict of Interest Policy attached to these Bylaws as Exhibit A. All such acknowledgments shall be filed with the Association records.

9.8. NOTICES. All notices or demands intended to be served upon the Association or the Board of Directors must be sent by United States certified mail, postage prepaid, to P.O. Box 386, Crawford, Colorado 81415.

#### ARTICLE X AMENDMENT OF BYLAWS

10.1. AMENDMENT BY THE MEMBERS. These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the Members. Amendments may be proposed by the Board of Directors or by petition of one or Members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which the proposed amendment shall be voted upon.

10.2. AMENDMENT BY DIRECTORS. By the affirmative vote of a majority of the Directors, the Directors may amend or alter these Bylaws at any regular meeting or any special meeting, provided that no such alteration or amendment by the Board shall increase the powers of the Board. The statement of any proposed amendment shall accompany notice of any regular or special meeting at which the proposed amendment shall be voted upon.

10.3. LIMITATIONS. These Bylaws may not be amended insofar as such amendment would be inconsistent with the Nonprofit Act, the Protective Covenants, or the Articles of Incorporation.

EFFECTIVE the date first written above.

  
\_\_\_\_\_  
President: Grant Knowles

  
\_\_\_\_\_  
1st Vice President: Mark Minter

## EXHIBIT A

### CONFLICT OF INTEREST POLICY

1. Purpose. The purpose of this Conflict of Interest Policy (“Policy”) is to protect the Association’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any officer, Director or member of a committee with governing authority, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

2. Definitions.

2.1. The term “interested person” means any Director, officer, or member of a committee with Board-delegated powers who has a direct or indirect financial interest, as defined below.

2.2. A person has a “financial interest” if the person has, directly or indirectly, through business, investment or family:

- (a) An ownership or investment interest in any entity with which the Association has a transaction or arrangement;
- (b) A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement;  
or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

A financial interest is not necessarily a conflict of interest. Under Section 3.2 below, a person who has a financial interest may have a conflict of interest only if the Board of Directors or a committee of the Board decides that a conflict of interest exists.

2.3. The term “compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

2.4. For purposes of clarity, an interested person who defines the work, performs the work, and is paid for the work inherently has a conflict of interest regarding the work.

3. Procedures.

3.1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors or the members of committees with Board-delegated powers considering the proposed transaction or arrangement.

3.2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board or committee meeting while the determination of a

conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3.3. Procedures for Addressing the Conflict of Interest.

3.3.1. An interested person may make a presentation to the Board or committee at a meeting, but after the presentation he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

3.3.2. The President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3.3.3. After exercising due diligence, the Board of Directors or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

3.3.4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

3.4. Violations of the Conflict of Interest Policy.

3.4.1. If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose an actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

3.4.2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

4. Records of Proceedings. The minutes of the Board of Directors and all committees with Board-delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed; and
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

5. Compensation.

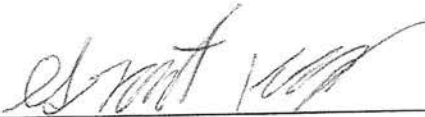
5.1. A voting member of the Board of Directors who receives compensation directly or indirectly from the Association for services is precluded from voting on matters pertaining to that member's compensation.

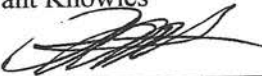
5.2. A voting member of any committee whose authority includes compensation matters and who receives compensation directly or indirectly from the Association for services is precluded from voting on matters pertaining to that member's compensation.

5.3. No voting member of the Board of Directors or any committee whose authority includes compensation matters and who receives compensation directly or indirectly from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

6. Annual Acknowledgement. Each Director, officer and member of a committee with Board-delegated powers shall annually sign an acknowledgement that affirms such person: (a) has received a copy of this Policy; (b) has read and understands this Policy; and (c) has agreed to comply with this Policy.

ADOPTED AND EFFECTIVE the 16<sup>th</sup> day of, February 2019.

  
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President: Grant Knowles

  
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1st Vice President: Mark Minter