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BYLAWS  
OF THE  
ALDASORO RANCH HOMEOWNERS COMPANY

Index

<u>Bylaw Number</u>	<u>Heading</u>	<u>Page</u>
1	DEFINITIONS	3
2	OFFICES	3
3	MEMBERSHIP, VOTING, QUORUM & PROXIES	3
	3.1 Membership	3
	3.2 Voting Rights	3
	3.3 Record Date	3
	3.4 Quorum	3
	3.5 Proxies	4
	3.6 Majority Vote	4
4	PROPERTY RIGHTS & RIGHTS OF ENJOYMENT OF FACILITIES & FUNCTIONS	4
5	ADMINISTRATION	4
	5.1 Annual Meeting	4
	5.2 Special Meetings	4
	5.3 Place of Meeting	4
	5.4 Notice of Special Meeting	5
	5.5 Informal Action by Members	5
	5.6 Voting	5
6	BOARD OF DIRECTORS	5
	6.1 Number, Tenure & Qualifications	5
	6.2 Resignations; Vacancies	6
	6.3 General Powers	6
	6.4 Additional Powers & Responsibilities	6
	6.5 Compensation	7
	6.6 Regular Meetings	8
	6.7 Special Meetings	8
	6.8 Quorum	8
	6.9 Waiver of Notice	8
	6.10 Informal Action by Directors	8
	6.11 Executive Committee	9

7	OFFICERS AND AGENTS	9
	7.1 General	9
	7.2 Removal of Officers	9
	7.3 Vacancies	9
	7.4 President	9
	7.5 Vice President	9
	7.6 Secretary	10
	7.7 Treasurer	10
8	OBLIGATIONS OF THE MEMBERS	10
	8.1 Assessments	10
	8.2 Time for Payments	11
	8.3 Local Improvement Assessments	11
	Compliance with the Declaration, Articles of Incorporation, Bylaws & Rules & Regulations	12
	8.5 Amendments	12
9	GENERAL PROVISIONS	12
	9.1 General Provisions	12
	9.2 Homeowners Company Budget	13
	9.3 Amendments	14
10	EVIDENCE & DETERMINATION OF MEMBERSHIP, REGISTRATION OF MAILING ADDRESS & LIEN HOLDERS	
	10.1 Evidence of Membership and Registration of Mailing Address	14
	10.2 Homeowners Company Determination as to Membership	14
	10.3 Address of the Homeowners Company	14
11	SECURITY INTEREST IN MEMBERSHIP	14
12	DESIGN REVIEW BOARD	15
13	AMENDMENTS	15
	13.1 By Directors	15
	13.2 Members	16
14	MISCELLANEOUS	16
	14.1 Seal	16
	14.2 Fiscal Year	16
	SIGNATURES	16

BYLAWS  
OF THE  
ALDASORO RANCH HOMEOWNERS COMPANY

**BYLAW 1: DEFINITIONS**

- 1.1 Each term in these Bylaws with its first letter capitalized shall have the meaning defined for such term in the General Declaration for the The Aldasoro Ranch or as defined in these Bylaws.

**BYLAW 2: OFFICES**

- 2.1 The principal office of the Homeowners Company shall be at 307 Society Drive, Unit C, Telluride, Colorado. The Homeowners Company may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the Board of Directors may from time to time determine.

**BYLAW 3: MEMBERSHIP, VOTING, QUORUM AND PROXIES**

- 3.1 Membership. The members of the Homeowners Company shall be as set forth in the Articles of Incorporation as from time to time are in force and effect.
- 3.2 Voting Rights. The voting rights of the members shall be as set forth in the Articles of Incorporation as from time to time are in force and effect.
- 3.3 Record Date. The Board of Directors shall have the power to fix in advance a date as a record date for the purpose of determining members entitled to notice of or to vote at any meeting or to be furnished with any other information or material, or in order to make a determination of membership, or for any purpose provided for in Bylaw 5 herein. The members existing on any such record date shall be deemed members for such notice, vote, meeting, furnishing of information or material or other purpose and for any supplementary notice or information or material with respect to the same matter and for any adjournment of the same meeting. A record date shall not be more than 50 days prior to the date on which the particular action requiring determination of membership is proposed or expected to be taken or to occur. If no record date is established for a meeting, the day which is three days prior to the day on which the notice is given shall be excluded from this calculation.
- 3.4 Quorum. Except as otherwise provided in the Articles of Incorporation or these Bylaws, the presence in person or by proxy of members who are

entitled to vote more than 51 percent of the total votes for the members shall constitute a quorum where a vote is required.

- 3.5 Proxies. Votes may be cast in person or by proxy. Every proxy must be in the form approved by the Board of Directors and must be executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date of its execution, and every proxy shall automatically cease at such time as the member granting the proxy no longer qualifies as a member of the voting membership for which vote the proxy was given.
- 3.6 Majority Vote. At any meeting of members when a vote is required, if a quorum is present, the vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the action of the members unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or these Bylaws which from time to time are in force and effect.

**BYLAW 4: PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF FACILITIES AND FUNCTIONS**

- 4.1 Each member shall be entitled to the use and enjoyment of Facilities and Functions as set forth in the Declaration that from time to time is in force and effect, subject to such rules and regulations as may be adopted by the Homeowners Company's Board of Directors from time to time.

**BYLAW 5: ADMINISTRATION**

**NOTE:**  
Section 5.1 has  
been amended and  
restated in  
Amendment  
December 1, 2017.

- 5.1 Annual Meeting. The first annual meeting of the members will be on June 26, 1992, thereafter, the annual meeting of the members shall be held on the 2nd Saturday of February at 9:00 o'clock a.m. at the main office of the Homeowners Company for the purpose of electing directors and for the transaction of such other business as may be necessary. If the day fixed for the annual meeting shall be a legal holiday in Colorado, such meeting shall be held on the next succeeding business day. This provision shall constitute notice to the members of the annual meeting and no other notice of the annual meeting shall be required.
- 5.2 Special Meetings. Special meetings of members, for any purpose, unless otherwise prescribed by statute, may be called by the president or by the Board of Directors, and shall be called by the president at the request of the members entitled to vote 49 percent or more of the total votes.
- 5.3 Place of Meeting. The Board of Directors may designate any place, either within or outside Colorado, as the place for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice

signed by all members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation is made, or if a special meeting shall be called otherwise than by the Board, the place of meeting shall be the principal office of the Homeowners Company in San Miguel County, Colorado.

- 5.4 Notice of Special Meeting. Either (i) personal or telephone or (ii) written or printed notice of any special meeting of the members stating the place, day and hour of the special meeting, and the hour of the special meeting, and the purposes for which the meeting is called, shall be delivered personally or by mail to each member entitled to vote at such meeting not less than 24 hours or more than 50 days before the date of the meeting. If mailed, such notice shall be deemed to be delivered two days after the day when deposited in the United States mail, addressed to the member at his address as it appears in the office of the Homeowners Company, with postage thereon prepaid. If requested by the president lawfully calling such meeting, the secretary shall give notice thereof at corporate expense.
- 5.5 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 consent in writing, setting forth the action so taken, shall be signed by 67 percent of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a majority vote of the members, and may be stated as such in any articles or document filed with the Secretary of State of Colorado.
- 5.6 Voting. In the election of directors and other matters of business of the Homeowners Company each member shall have the right to vote as set forth in the Articles of Incorporation as from time to time are in force and effects.

#### **BYLAW 6: BOARD OF DIRECTORS**

- 6.1 Number, Tenure and Qualifications. The business and affairs of the Homeowners Company shall be managed by a Board of Directors consisting of 5 directors. The provisions of this bylaw shall be subject to Declarant's right to appoint 3 members of the Board of Directors set forth in Article 7.1 of the Articles of Incorporation. The initial directors shall hold office until the election or appointment of their successors at the first annual meeting. Thereafter, annually directors shall be elected by the members or appointed by the Declarant, as applicable, at the annual meeting. Each director shall hold office until the election or appointment and qualification of his successor. If a director resigns, his replacement shall hold office only until the next annual meeting of the Homeowners Company. The number of directors may be changed by amendment of the Articles of Incorporation in the manner set forth therein.

**NOTE: Section 6.2 has been amended and restated in Amendment December 1, 2017.**



NOTE: Section 6.2 has been amended and restated in Amendment December 1, 2017.

- 6.2 Resignations; Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the Homeowners Company. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board of Directors by reason of resignation, death or an increase in the number of directors may be filled by the vote of a majority of the directors then in office though less than a quorum; subject, however, to the Declarant's right to appoint 3 members of the Board Directors pursuant to Article 7.1 of the Articles of Incorporation.
- 6.3 General Powers. The Board of Directors shall have and may exercise all the powers of the Homeowners Company except as are expressly conferred upon the members by law, by the Articles of Incorporation, the Declaration or these Bylaws as from time to time are in force and effect.
- 6.4 Additional Powers and Responsibilities. In addition to its general powers, the Board of Directors acting through the Homeowners Company's officers, and subject to the provisions of the Declaration, shall have the authority and, in their sole discretion, may:
- 6.4.1 Administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Articles of Incorporation, the Declaration or the Bylaws as from time to time are in force and effect.
  - 6.4.2 Establish, make, amend, publish and enforce compliance with such reasonable rules and regulations governing the operation and use of Facilities and Functions and the personal conduct of the members and guests, and to establish, make, amend, publish and enforce payment of reasonable charges for the use of Facilities and Functions.
  - 6.4.3 Maintain in good order, condition and repair Facilities and all items of personal property used in the enjoyment of such property.
  - 6.4.4 Obtain and maintain insurance in connection with Facilities and related personal property in the manner and amounts provided in the Declaration, and such other insurance as the Board of Directors may consider appropriate.
  - 6.4.5 Fix, determine, levy and collect all assessments to meet the common expenses and costs of the Homeowners Company, and to create a reasonable reserve therefore, as more fully set forth in Bylaw 9 hereof.

- 6.4.6 Collect promptly all delinquent assessments by suit or otherwise and to enjoin or seek damages from a member or guest.
  - 6.4.7 Collect the charges, sums, liquidated damages or fees set forth in the Declaration, and otherwise provided for in the Homeowners Company's Articles of Incorporation and these Bylaws, which are in effect from time to time.
  - 6.4.8 Issue, or cause an appropriate officer to issue, upon written demand of any member an assessment, charge, fine or penalty has been paid by such member. Such certificate shall be conclusive evidence against the Homeowners Company for all purposes. The Homeowners Company may charge a reasonable fee for such certificate.
  - 6.4.9 Protect and defend Facilities from loss and damage by suit or otherwise.
  - 6.4.10 Borrow funds in order to pay for any expenditure or outlay authorized by these Bylaws, the Declaration and the Articles of Incorporation as from time to time are in force and effect, including but not limited to funds borrowed from Declarant or any affiliate thereof, and to execute all such instruments evidencing such indebtedness as may be necessary or advisable.
  - 6.4.11 Enter into contracts within the scope of their duties and powers.
  - 6.4.12 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 Directors.
  - 6.4.13 Maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Homeowners Company. Any member may inspect such records upon reasonable notice at any reasonable time.
  - 6.4.14 Prepare and upon request deliver to any requesting member an annual statement showing all receipts, expenses or disbursements since the last such statement.
  - 6.4.15 Authorize, establish and amend, from time to time, design standards and enforcement mechanisms for all improvements in the Aldasoro Ranch.
- 6.5 Compensation. By resolution of the Board of Directors, any director may be paid any one or more of the following: his reasonable expenses

incurred, if any, in furtherance of the business or affairs of the Homeowners Company; a fixed sum for attendance at meetings. No such payment shall preclude any director from serving the Homeowners Company in any other capacity and receiving compensation therefor.

- 6.6 Regular Meetings. Regular meetings of the Board of Directors may be held without call or formal notice at such places within the State of Colorado, and at such regular intervals as the Board may from time to time by vote determine. Any business may be transacted at a regular meeting. Until further determination, the regular meeting of the Board of Directors for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of members, or any special meeting of members at which a Board of Directors is elected. Directors may attend regular meetings via telephone.
- 6.7 Special Meetings. Special meetings of the Board of Directors may be held at any place within Colorado at any time when called by the president, or by 2 or more directors, upon prior notice of the time and place thereof being given personally or by telephone to each director, or by leaving such notice with him or at his residence or usual place of business, or by FAX, mailing or telegraphing it prepaid, and addressed to him at his post office address as it appears on the books of the Homeowners Company, or by telephone. Notices shall state the purpose of the meeting. No notice of any adjourned meeting of the directors shall be required. Directors may attend special meetings via telephone.
- 6.8 Quorum. A majority of the number of directors fixed by the Bylaws shall constitute a quorum for the transaction of business, but if only a lesser number is present they may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the directors in attendance shall, except where a larger number is required by law, by the Articles of Incorporation, the Declaration of by these Bylaws as from time to time are in force and effect, decide any question brought before such meeting.
- 6.9 Waiver of Notice. Before, at or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.
- 6.10 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 a



consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors.

- 6.11 Executive Committee. An executive committee may be appointed pursuant to the Articles of Incorporation as from time to time are in force and effect.

#### **BYLAW 7: OFFICERS AND AGENTS**

- 7.1 General. The officers of the Homeowners Company shall be a president, one or more vice presidents, a secretary and a treasurer. The Board of Directors may appoint such other officers, assistant officers, committees and agents, including but not limited to assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such a manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board of Directors. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Board of Directors, such officer, agent or employee shall follow the orders and instructions of the president or his designee.
- 7.2 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.
- 7.3 Vacancies. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.
- 7.4 President. The president shall be the chief executive officer of the Homeowners Company. He shall have the general and active control of the affairs and business of the Homeowners Company and general supervision of its officers, agents and employees.
- 7.5 Vice Presidents. The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Board of Directors. In the absence of the president, the vice president designated by the Board of Directors or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made all vice presidents may exercise such powers and perform such duties.

7.6 Secretary. The secretary shall:

- 7.6.1 Keep the minutes of the proceedings of the members, executive committee and the Board of Directors;
- 7.6.2 See that all notices are duly given in accordance with the provisions of these Bylaws, the Articles of Incorporation, the Declaration and as required by law;
- 7.6.3 Keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all members, the designation of the property owned or leased by each member, and, if such property is mortgaged and the mortgagee has given the Homeowners Company notice thereof, the name and address of the mortgagee;
- 7.6.4 In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

- 7.7 Treasurer. The treasurer shall be the principal financial officer of the Homeowners Company and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Homeowners Company and shall deposit the same in accordance with the instructions of the president or Board of Directors. He shall receive and give receipts and acquaintances for monies paid in on account of the Homeowners Company of whatever nature as deemed appropriate. He shall perform all other duties incident to the office of the treasurer and, upon request of the president or the Board of Directors, shall make such reports as may be required at any time. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the president. The assistant treasurers, if any, shall have the same powers and subject to the supervision of the treasurers.

**BYLAW 8: OBLIGATIONS OF THE MEMBERS**

8.1 Assessments.

- 8.1.1 Each Owner shall be obligated to pay the Real Estate Transfer Assessment imposed pursuant to paragraph 5.9 of the Declaration and any and all other assessments levied with respect to such Owner's Site, and each Owner shall comply with any

determinations made by the Board of Directors with respect to such assessments.

8.1.2 If a periodic or special assessment is validly levied, each member shall be obligated to pay and shall pay to the Homeowners Company its proportionate share of such assessment based upon the determinations made by the Board of Directors with respect to such assessments.

8.1.3 Each member shall pay all charges, fines, liquidated damages, penalties, interest, or other amounts payable to the Homeowners Company in connection or payable under the Declaration, the Articles of Incorporation or these Bylaws.

8.2 Time for Payments. The amount of any assessment, charge, fine, liquidated damage, penalty or other amount payable with respect to any member or such member's guests or Site shall become due and payable as specified in the Declaration, the Articles of Incorporation or these Bylaws, as from time to time are in force and effect, or by the Board of Directors, and any such amount which is delinquent shall bear interest at the rate of 18 percent per annum from the date due and payable unless specifically specified otherwise.

8.3 Local Improvement Assessments. In the judgment of the Board of Directors, if certain improvements within the Aldasoro Ranch are desirable, if those improvements will especially benefit certain Sites, (Benefited Sites) and if all or a part of the costs of those improvements should in fairness be paid for by the Owners of the Benefited Sites, the Board of Directors may propose a Local Improvement Assessment. With respect to each proposed Local Improvement Assessment, the Board of Directors shall specify the nature of the proposed improvement, shall designate those Sites which will be especially benefited by the improvement, the benefited Sites, and shall recommend a Local Improvement Assessment calculated to meet the costs applicable to the local improvement, with the Board of Directors specifying the amounts of such assessments, the dates for payment of such assessments, and the portion, if any, of the costs of any improvement that will be borne by the Homeowners Company. The Local Improvement Assessment shall then be submitted to a vote of the Owners of the Benefited Sites, at a meeting duly called for such purpose upon written notice which sets forth the purpose of the meeting and is sent to the Owners of the Benefited Sites at least 30 days in advance (unless each such Owner waives such notice). If the Owners of the Benefited Sites containing more than 50 percent of the area of the total Benefited Sites approve the Local Improvement Assessment at such a meeting, the Local Improvement Assessment shall

take effect. The lien provisions of paragraph 5.11 of the Declaration shall apply to Local Improvement Assessments.

- 8.4 Compliance with the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations. Each member shall comply with all provisions of the Declaration, Articles of Incorporation, these Bylaws, and any rules and regulations issued by the Board of Directors or the Design Review Board as from time to time are in force and effect. The membership rights and privileges, including, but not limited to, the right to vote and the right to use Facilities and Functions of any member or guest, may be suspended by action of the Board of Directors during the period when any assessments or other amounts due relating to such member's Site remain unpaid; but, upon payment of such assessments or other amounts, such rights and privileges shall be automatically restored. If the Board of Directors has adopted and published rules and regulations governing the use of Facilities or Functions and the personal conduct of any person related thereto, the directors or the officers of the Homeowners Company may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed 30 days, or if such person is in a continuous violation of such rules and regulations for a period until such time as the violations ceases. At the time such continuous violation ceases, the 30-day suspension may be applied to such person.

- 8.5 Amendments. This Bylaw 8 may be amended only by either the Affirmative Vote of A Majority of the Members or the Declarant.

#### **BYLAW 9: GENERAL PROVISIONS**

- 9.1 General Provisions. Any payment or report required hereunder to be made to the Homeowners Company shall be deemed to have been made in a timely fashion if sent to the principal office of the Homeowners Company by first class mail or overnight express delivery service, postage prepaid, and postmarked no later than the date such payment or report is due, provided the Homeowners Company thereby actually receives such payment or report. The Homeowners Company at its own expense shall have the right at any time during regular business hours to inspect and copy all records and to audit all accounts of any member which are reasonably related to such member's obligations hereunder to pay assessments to make reports to the Homeowners Company. Unless otherwise proved for, if any portion of any assessment hereunder is not paid when due and payable, such portion shall bear simple interest at the rate of 18 percent per annum from the date due until paid, and the amount of such interest shall for all purposes hereunder (other than the computation of such interest) be added to and become part of the assessment; provided that the Board of Directors may in its discretion waive all or any part of such interest for reasonable cause shown. The

Board of Directors shall have power to collect any part of any assessment not paid when due and to enforce any other obligations of any member by any legal means available to it. Each Owner shall hold harmless and indemnify the Homeowners Company and its agents and employees from and against any and all costs, losses, obligations, penalties, expenses, liabilities and damages of every kind whatsoever, including court costs and all reasonable attorney's fees, incurred by or imposed upon the Homeowners Company or any of its agents or employees in the collection of such Owner's or member's assessments hereunder which are not paid when due or otherwise in the enforcement of any of such Owner's or member's obligations. The Board of Directors shall have power to determine any matter and to resolve any dispute arising out of the application, determination, payment and collection of any assessment or the making of any report provided for in this Bylaw 9, and may promulgate such additional rules and regulations which are consistent with the provisions hereof as the Board of Directors may deem necessary, useful or appropriate to the reasonable and efficient administration of such provisions.

- 9.2 Homeowners Company Budget. At the first meeting of the Board of Directors following the adoption of the Homeowners Company's fiscal year, the Board of Directors shall adopt an estimated budget for the remainder of that fiscal year. Such budget shall include: (a) the estimated operating costs and expenses and proposed capital expenditures which will be chargeable to the Homeowners Company to fulfill its obligations under the Declaration, the Articles of Incorporation and the Bylaws as then in force and effect; (b) the estimated income and other funds which will be received by the Homeowners Company provided that the income attributed to any real estate transfer assessment does not exceed 40% of the total budgeted income (income in this case excludes any interest income) by fiscal year 2003 and 20% by 2009; (c) assessments to cover such costs, expenses and capital expenditures of the Homeowners Company; and (d) to provide a working capital reserve of \$100,000.00 and a capital reserve to fund all known capital expenditures for a period of no less than 10 years beyond the budget. In addition, the Board of Directors shall, no later than 30 days prior to the beginning of such fiscal year, adopt a similar 10 year projected budget to include all long-term or continuing commitments of the Homeowners Company made in connection with or contemplated under any previously approved budget. The Board of Directors shall make copies of the proposed upcoming fiscal year budget and the projected 10 year budget available to all interested members at the principal office of the Homeowners Company. At the budget meeting, members shall have the right to be heard concerning the budget; however, the Board of Directors shall retain the sole power to approve the budget. Notice of any such meeting shall contain a reasonably detailed description of the supplement or revision proposed. Except as emergencies may

require, the Homeowners Company shall make no commitment or expenditures in excess of the funds reasonably expected to be available to the Homeowners Company through assessments and all other sources of income.

- 9.3 Amendments. This Bylaw 9 may not be altered, amended or repealed except by the Affirmative Vote of a Majority of the Members or by the Declarant.

**BYLAW 10: EVIDENCE AND DETERMINATION OF MEMBERSHIP,  
REGISTRATION OF MAILING ADDRESS AND LIEN HOLDERS**

- 10.1 Evidence of Membership and Registration of Mailing Address. Any party on becoming a member shall furnish to the Homeowners Company a certified written report ("Report"), on a form established by the Board of Directors, and required backup information. Each such member shall at the same time give a single name and address to which notices to such member may be sent. In the event of any change in the facts reported in the original written Report, including any change of ownership, the member shall give a new written Report to the Homeowners Company containing all the information required to be covered by the original Report. As against any member, the Homeowners Company may, but shall not be obligated to, relay, for any and all purposes, on the information reflected in the most recent written Report furnished with respect to such member. The Homeowners Company may rely solely upon the most recent written notice received by the Homeowners Company with respect to each member.
- 10.2 Homeowners Company Determination as to Membership. The Homeowners Company, based upon written notices furnished by members as aforesaid and based upon its own investigation, shall have the right, authority and obligation to fix and determine the number of votes existing with respect to each member. The Homeowners Company shall make such determination as it deems necessary and, in any event, as of any record date and shall make supplemental determinations from time to time as may be necessary after any record date in the light of changes which may come to its attention. The Homeowners Company shall keep records of its determinations hereunder which shall be used and may be relied upon by it for any and all purposes. No party shall be entitled to any notice or the right to vote until it has been determined by the Homeowners Company that such party is a member. Any party aggrieved by any determination of the Homeowners Company with respect to its voting rights may contest such action within 30 days after it has notice thereof by commencing a legal action in the District Court of San Miguel County, Colorado within such 30-day period. If such action is not commenced in



such period, the determination of the Homeowners Company shall be final.

- 10.3 Address of the Homeowners Company. The mailing address of the Homeowners Company shall be 307 Society Drive Unit C, Telluride, Colorado 81435. Such address may be changed from time to time upon written notice to all members and all mortgages or beneficiaries of deeds of trust whose names and addresses have been previously filed with the Homeowners Company.

#### **BYLAW 11: SECURITY INTEREST IN MEMBERSHIP**

- 11.1 Members shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote in the Homeowners Company at any and all meetings of the Homeowners Company and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they have as members under the Articles of Incorporation and these Bylaws or by the virtue of the Declaration as from time to time are in force and effect. Such proxy and vesting shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the Homeowners Company at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Homeowners Company, the Board of Directors or the members to carry out their duties as set forth in the Declaration. A release of the mortgage or other beneficiary's deed of trust shall operate to revoke such proxy and vesting. Nothing contained in this Bylaw 11 shall be construed to relieve members. As mortgagee or the beneficiary of the deed of trust the duties and obligations of an Owner.

#### **BYLAW 12: DESIGN REVIEW BOARD**

- 12.1 The Board of Directors shall establish a Design Review Board consisting of 5 persons in accordance with the Declaration as from time to time is in force and effect which shall have the duties and perform the functions described therein. Each member and the Homeowners Company shall be bound by the Design Review Board's rules and regulations, if any, a copy of which shall be maintained in the records of the Homeowners Company at all reasonable times. The Homeowners Company shall make copies of the Design Review Board's rules and regulations available to the members at a reasonable fee.

#### **BYLAW 13: AMENDMENTS**

- 13.1 By Directors. Except as restricted by law, the Articles of Incorporation, the Declaration or these Bylaws, either Declarant or the Board of Directors

**NOTE:**

Section 13.1 has been amended and restated by the December 1, 2017 Amendment.

Section 13.1 has been Deleted in its entirety by the February 26, 2019 Amendment

**13.2**

NOTE: Section 13.2 has been amended and restated by the February 26, 2019 Amendment.

shall have power to make, amend and repeal the Bylaws of the Homeowners Company at any time. However, if the Declarant shall make, amend and repeal any Bylaw the members or directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Declarant in taking such action. Declarant's power and authority to amend these Bylaws shall terminate on January 1, 2010.

**Members.** Subject to the provisions of paragraph 13.1, the combined membership may, upon the Affirmative Vote of a Majority of the Members, unless expressly made subject to a higher voting requirement by law, the Articles of Incorporation, the Declaration or these Bylaws, make, alter, amend and repeal by Bylaws of the Homeowners Company at any annual meeting or at any meeting called for that purpose at which a quorum shall be represented.

**BYLAW 14: MISCELLANEOUS**

- 14.1 **Seal.** The corporate seal of the Homeowners Company shall be circular in form and shall contain the name of the corporation, and the words "Seal, Colorado".
- 14.2 **Fiscal Year.** The fiscal year of the Homeowners Company shall be from January 1 through December 31.
- 14.3 Adopted at the meeting of the Board of Directors held on January 26, 1991.

**ALDASORO RANCH HOMEOWNERS COMPANY**

**ATTEST:**

  
Secretary, Mary Lynne  
Chambers

By:

  
President, Kevin Holbrook

**AMENDMENT TO THE BYLAWS  
FOR THE ALDASORO RANCH HOMEOWNERS COMPANY,  
A COLORADO NONPROFIT CORPORATION**

Effective Date: December 1, 2017

This is an Amendment to the Bylaws of The Aldasoro Ranch Homeowners Company, a Colorado nonprofit corporation ("**Homeowner's Company**"), which was duly adopted by the Association and made effective as of the Effective Date.

1. **Status of Declarant.** In accordance with the (i) Transfer and Turnover Agreement dated April 16, 2008 ("**Turnover Agreement**"), (ii) the Assignment of Rights dated April 16, 2008 and recorded on August 15, 2017 in Reception No.449885 ("**Declarant Assignment**") and the such other documents and instruments contemplated by the Turnover Agreement and Declarant Assignment, the Declarant (Aldasoro Ltd, a Colorado limited partnership) did assign, transfer and convey certain "Assigned Rights" (as defined in the Declarant Assignment) to the Homeowners Company, which Assigned Rights included, without limitation, any and all of its rights and interests arising in, under and otherwise in connection with the Governing Documents, except for certain "Excluded Transfers" (as defined in the Declarant Assignment). Any and all references to the Declarant in the Bylaws are hereby deleted.

2. **Amendment to Section 5.1.** Section 5.1 of the Bylaws is hereby amended and restated in its entirety and shall henceforth provide as follows:

5.1 **Annual Meeting.** The annual meeting of the members shall be held on day, time and location determined by the Board, which shall be at a suitable location within the Telluride Region of San Miguel County, Colorado. The annual meeting shall be held for the purpose of electing directors and for the transaction of such other business as may be necessary

3. **Amendment to Section 6.1.** Section 6.1 of the Bylaws is hereby amended and restated in its entirety and shall henceforth provide as follows:

6.1 **Number, Tenure, Qualifications and Elections.** The business and affairs of the Homeowners Company shall be managed by a Board of Directors consisting of 5 directors. The directors shall be elected by the members at the annual meeting. At the time of their election and continuing through their term as a director, each director shall have an ownership interest in a Lot in the Aldasoro Ranch. Each director shall hold office until the election or appointment of his or her successor. The number of directors may be changed by amendment of the Articles of Incorporation in the manner set forth therein. Each director shall serve for a term of three years or until a successor has been duly elected and qualified. Directors shall be limited to uninterrupted Board membership of two three-year terms, with the following exceptions: a) the immediate past President shall continue as a member of the Board of Directors for one year following the expiration of his or her service in the office of President without regard to the number of his or her prior consecutive terms as a director; and b) an initial appointment as a director to serve the remainder of an unexpired term shall not count toward the two consecutive term limit. Directors are expected to attend meetings of the Board of Directors and failure to attend at least 75% of the meetings, in the absence of

good cause shown and agreed to by the other Directors, shall be grounds for removal by the other Directors.

4. **Amendment to Section 6.2.** Section 6.2 of the Bylaws is hereby amended and restated in its entirety and shall henceforth provide as follows:

6.2. **Resignations; Vacancies.** Any director may resign at any time by giving written notice to the president or to the secretary of the Homeowners Company. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If a director resigns or is removed, the remaining members of the Board of Directors shall designate his or her replacement by a majority vote of the remaining directors. The replacement director shall hold office for the balance of the unexpired term of the Director being replaced.

5. **Amendment to Article 13.** Article 13 of the Bylaws is hereby amended and restated in its entirety and shall henceforth provide as follows:

#### **BYLAW 13: AMENDMENTS**

13.1 **By the Board of Directors.** Except as restricted by law, the Articles of Incorporation, the Declaration or these Bylaws, the Board of Directors, by a majority vote of the directors may amend the Bylaws of the Homeowners Company at any time.

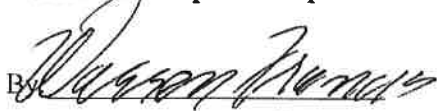
13.2 **Members.** Subject to the provisions of paragraph 13.1, the combined membership may, upon the Affirmative Vote of a Majority of the Members, unless expressly made subject to a higher voting requirement by law, the Articles of Incorporation, the Declaration or these Bylaws, may amend or repeal by Bylaws of the Homeowners Company at any annual meeting or at any meeting called for that purpose at which a quorum shall be represented.

#### **APPROVAL AND EXECUTION**

**IN WITNESS WHEREOF**, having secured the requisite approvals of the members of the HOC, the foregoing Amendment to the Bylaws of The Aldasoro Ranch Homeowners Company, a Colorado nonprofit corporation stand approved and enacted by the HOC.

The undersigned, as President of the HOC, certifies these amendments to the Bylaws were adopted and made effective as of December 1, 2017.

**Aldasoro Ranch Homeowners Company,  
a Colorado nonprofit corporation**

By 

Name: WARREN FRANCIS  
Title: President

**AMENDMENT TO THE BYLAWS  
FOR THE ALDASORO RANCH HOMEOWNERS COMPANY,  
A COLORADO NONPROFIT CORPORATION**

Effective Date: February 26, 2019

This is an Amendment to the Bylaws of The Aldasoro Ranch Homeowners Company, a Colorado nonprofit corporation ("**Homeowner's Company**"), which was duly adopted by the Association and made effective as of the Effective Date.

1. **Amendment to Article 13.** Article 13 of the Bylaws is hereby amended and restated in its entirety and shall henceforth provide as follows:

**BYLAW 13: AMENDMENTS**

13.1 Deleted in its entirety.

13.2 **Members.** The combined membership may, upon the Affirmative Vote of a simple Majority of the Members, unless expressly made subject to a higher voting requirement by law, the Articles of Incorporation, the Declaration may amend or repeal the Bylaws of the Homeowners Company at any annual meeting or at any meeting called for that purpose at which a quorum shall be represented.

**APPROVAL AND EXECUTION**

**IN WITNESS WHEREOF**, having secured the requisite approvals of the Board of Directors of the HOC, the foregoing Amendment to the Bylaws of The Aldasoro Ranch Homeowners Company, a Colorado nonprofit corporation stand approved and enacted by the HOC.

The undersigned, as President of the HOC, certifies these amendments to the Bylaws were adopted and made effective as of February 26, 2019.

**Aldasoro Ranch Homeowners Company,  
a Colorado nonprofit corporation**

By: 

Name: Kevin Holbrook

Title: President