

Sangre de Cristo Ranch Owners, Inc.

By laws

Adopted 8/5/2023

Article I: Recitals and Definitions

Section 1. This Corporation has been formed pursuant to the Non-profit Corporation Law of the State of Colorado as Sangre de Cristo Ranch Owners (SCRO). Sangre de Cristo Ranch which is the real property within the boundaries of Costilla County, Colorado commonly known as Sangre de Cristo Ranches Subdivision.

Section 2. The goals and objectives of the Association are to: link all property owners into the affairs of the Ranches, supply information to property owners as is possible, maintain contacts with local and Costilla County officials, including the leadership of the Sheriff's department and the volunteer fire services.

Section 3. SCRO may own or lease property, *excluding* real estate, from time to time as the Board may approve for the benefit of the membership or Board.

Section 4. The term LOT shall mean any parcel of real property designated on the duly recorded final subdivision map as recorded in the records of Costilla County, Colorado.

Section 5. The term OWNER shall mean the person(s), whether natural or artificial (Juristic), who has equitable interest in lot(s)/parcel(s) in the Sangre de Cristo Ranches. Examples of artificial persons may include corporations, LLCs, LLPs, estates and the like.

Section 6. The term MEMBER shall mean an owner as described in Article 1 Section 5 whose dues to SCRO are paid up to date.

Section 7. The term BOARD shall mean the current serving members of the Board of Directors of SCRO.

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Article II: Membership

Section 1. Each lot(s)/parcel(s) owner (as defined in Article 1, Sec 5) shall be eligible to become a voting member of SCRO upon receipt of currently established dues.

Article III: Membership Voting

Section 1. At any meeting of the membership called and held pursuant to the provision of the bylaws, the rule of one (1) vote per lot(s)/parcel(s) owner prevails.

Section 2. Only one (1) member of a family unit at a time may serve on the Board of Directors. A family unit is defined as family members living in the same household.

Article IV: Membership Meetings

Section 1. The Annual Meeting of the members shall be on the first Saturday in August at 2:00 p.m. each year or as alternatively set by the Board for good and sufficient reason. The location and general agenda determined by the Board. The agenda to be disseminated as practicality prevails on the SCRO Website, Facebook, Email, US Mail or any combination thereof. The annual meeting to be announced no less than 30 days nor more than 90 days prior to such meeting. The Board will endeavor to include, at a minimum:

- a) An annual update from the president
- b) A brief financial report
- c) A list of nominees for any relevant Board positions
- d) The method by which any member may vote on Board positions, if contested.

Section 2. Special meetings of the members may be called by the Board at any time to consider any pending business of SCRO.

Section 3. The presence at any special meeting, including the Annual Meeting of six (6) non-Board MEMBERS and a quorum of the Board shall constitute a quorum for that meeting. Board members may appear utilizing on-line means, telephone conference calling or other digital means as may be practicable to meet the circumstances and purposes at hand.

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Section 4. A simple majority vote of the members present, shall prevail for any question raised before the membership body.

Article V: Board of Directors

Section 1. The Corporate powers of SCRO are vested in and shall be exercised by the Board consisting of seven (7) members in good standing with the organization.

Section 2. The members of the Board of Directors shall be elected annually at the Annual Meeting by the membership in attendance, by written Proxy vote or by absentee ballot. Qualified voters are members of the SCRO in good standing as of that date.

Section 3. In order to fill a Board vacancy due to the failure of a director to complete his or her term for any reason. The President or other designated Board member may fill that vacancy with the approval of the Board. See also Article VIII, Sec 6.

Section 4. On rare occasions, it may be necessary to remove a Board member for non-performance of duty or for missing three or more meetings in a row. The Board may do so by a majority vote with a minimum of 4 votes to remove. This removal provided that the grievances against said Board member are presented to that member in writing at least one week before the vote and the response, if any duly considered and discussed before a vote to remove proceeds.

Article VI: Board Meetings

Section 1. The new Board of Directors shall meet briefly immediately following the annual meeting for organizational purposes.

Section 2. Regular Board of Director meetings shall be held on the first Thursday of each month the location and time to be disseminated by the President beforehand. However the day and time may be changed from time to time as may be most convenient for the attendees or to

accommodate weather conditions. Remote participation whether using an online method, conference calling or other suitable means will constitute attendance.

Section 2. Special meetings of the Board shall be held as may be requested by the President or any two (2) Directors. The request may be made in writing, by telephone, or by email and such request will be

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recorded along with the minutes of the Board. Special meetings may also be conducted using online methods, conference calling or other suitable digital means

Section 3. Four (4) members of the seven (7) shall constitute a quorum at Board Meetings.

Section 4. A majority vote by the Board shall prevail with a quorum present.

Section 5. The Board may take an action(s) without a meeting if a majority of Board members agree. Such an ad hoc action should be relatively rare and decisions reached utilizing this method will be filed along with the minutes of the Board.

Article VII: Duties and Powers of the Board

Section 1. To exercise all power vested in the Board under these bylaws, the Articles of Incorporation and the laws of the State of Colorado.

Section 2. To appoint such Officers, Agents, and engage such employees including Correspondence Secretary, Attorneys, and Accountants as it may deem necessary to assist in the operation of SCRO and to assign their duties and compensation.

Section 3. To enforce these bylaws and regulations relating to the control, management, and use of SCRO.

Section 4. To use organizational assets including available cash to keep SCRO within non-profit status as required by law. In general assets of the organization are to be primarily used to benefit SCRO property owners, secondarily to benefit and/or provide useful and desirable services including entertainment for the benefit of the community or in conjunction with fundraising activities as may be appropriate from time to time.

Section 5. To maintain the books and records of the SCRO in an accurate and complete manner so that the financial condition and affairs of SCRO can be readily determined without employing protracted or complex means. The exact financial standing may be checked as often as annually by a qualified

independent auditor as may be desired by the Board or at intervals utilizing accepted methods to keep SCRO in compliance with Federal, State or Local Law.

Section 6. The President of the Board in cooperation with the Treasurer and Secretary will ensure all Federal, State or Local Tax Returns are filed within applicable deadlines.

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Section 7. The President of the Board in cooperation with the Treasurer and Secretary will ensure all filings due and expected by the Colorado Secretary of State with regards to the SCRO will be filed within applicable deadlines.

Section 8. A Nominating Committee, as may be deemed appropriate and useful for the SCRO to facilitate annual Board elections. Such a committee may be appointed by the board and shall consist of non-board members. The number of participants is to be three (3). The Board shall instruct such a committee, if formed, to gather member input and follow such leads as may present themselves in developing a pool of candidates for the members to consider for Board positions.

In general the Nominating Committee will:

- a) Consider prospective nominee's geographic location within the Ranches
- b) Confirm membership is current
- c) Present available information for background check
- d) Nominee should have no apparent conflict of interest
- e) Nominee should be of good moral character/reputation

In conjunction with the appointment of a Nominating Committee the Board will also appoint a Board member to act as a Point of Contact (POC) or Liaison with the Committee Chair. The Chairman will provide weekly updates to the POC apprising progress made or situations encountered.

Section 9. The Board member shall freely volunteer their time in service to the Board, the SCRO and the community. In some cases members may request repayment for reimbursable expenses. Examples of reimbursable expenses are third party computer related outlays, postage, mileage, stationary goods, etc. Extraordinary expenses which might be considered by the Board might include travel, mileage, meals and incidental Expenses incurred by a Board member to appear in local, regional or other court of law representing the interests of the SCRO or as compelled to appear in their capacity as SCRO Board Member. The Board shall in all cases comply with all state and federal tax regulations and shall employ "usual and generally accepted" benchmark amounts when considering reimbursement.

Section 10. The Board shall maintain Liability Insurance issued by a carrier duly authorized and licensed to operate in the State of Colorado to insulate individual Board Members, employees or others acting on behalf of the SCRO from personal liability.

Section 11. The Board shall secure sufficient amounts of Public Liability Insurance to cover reasonably foreseeable outcomes when the SCRO is conducting and/or participating in events involving the public's participation.

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Article VIII: The Officers

Section 1. SCRO Officers shall be and will maintain membership in SCRO in good standing. Officers shall consist of a President, VicePresident, Secretary, and Treasurer and three (3) "At Large" Board Members. The SCRO Board may appoint from time to time, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section Three (3) following.

Section 2. Each officer of SCRO shall be chosen by and shall serve at the pleasure of the Board until resignation, removal, or otherwise becomes disqualified to serve.

Section 3. The Board may empower the President to nominate individuals to fill vacancies on the Board or committees as the affairs of SCRO may require. Vacancies filled in this manner between the times of the annual membership meetings will require a simple majority vote of approval by the Board.

Section 4. Each Officer shall hold office for such a period and have such authority as may be outlined in these Bylaws.

Section 5. An officer whose reelection is unopposed and unaffected by "write in" votes shall be considered to have been reelected for the coming year.

Subject to potential members of the Board generated by write-ins will be subject to vetting by the Board to determine suitability and may include a background check. Vetting being satisfactory the Board will appoint selected individuals to seat open positions on the Board.

The vetting process employed by the Board may give consideration to:

- a) Geographic location within the Ranches
- b) Ability to work well with people
- c) Status of membership current
- d) Having no apparent conflict of interest
- e) Of good moral character/reputation

Section 6. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by an appointment of the Board by simple majority vote. That appointee shall serve until the next annual meeting of the members

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Section 7. In no case shall a Board Member utilize their position to promote personal business gains or venture.

Article IX: Duties of the Officers

Section 1. The President shall be the Chief Executive Officer (CEO) of SCRO and as such will primarily control the affairs along with the other officers of SCRO. He/She shall have the general powers and duties of management usually vested in the office of a president of a corporation, together with such other powers and duties as may be prescribed by the Board, these bylaws and applicable Federal, State or Local law.

Section 2. The Vice-President, in the absence of the President, shall perform all the duties of the President and when so acting shall have all the power of and be subject to the same restrictions as the President. He/She shall have such other powers and perform such other duties, as from time to time, may be prescribed by the Board or these bylaws.

Section 3. The SCRO Secretary, also Secretary to the Board, shall keep or cause to be kept, a book of minutes of all meetings of directors and members. Minutes should include the time, place, whether regular, or special, how authorized, number, and names of those present and the proceedings thereof. The Secretary shall cause the minutes to be delivered to the custodian of the SCRO Website for posting within a reasonable time. The Secretary may have such powers and perform other duties as may be prescribed by the Board or these bylaws.

Section 4. The Treasurer shall keep and maintain adequate and correct accounts of the transactions of SCRO using methods and/or software as prescribed by the SCRO Board. Including keeping account of its assets, liabilities, receipts, and disbursements, deposits of all monies to the credit of SCRO. He/She shall disburse the funds of SCRO as may be ordered by the Board, and shall render to the President and Directors, when requested, an account of all transactions as Treasurer. The Treasurer shall know the financial condition of SCRO, as it varies with membership, and keep the Board informed on a monthly basis by filing a Treasurer's Report at each monthly meeting.

Section 5. The President and Treasurer may be bonded by an insurer authorized to operate in the State of Colorado at the discretion of the Board. Checks shall be signed by at least two (2) Board members according to the Board's prior decision. The books of account shall be, at all reasonable times, open to inspection by the Board. Should such an inspection be desired by the Board two (2) members of the Board are required to be present during such an examination in addition to the Treasurer, if available.

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Article X: Dues, Funds and Assessments

Section 1. The Board of Directors may from time to time determine the annual dues of the membership dues should be increased. If such an increase is deemed appropriate by the Board the change will be proposed and presented at the Annual Meeting and a vote of the attending members will be called for to either support or defeat the proposed dues increase. If the proposal is approved during the Annual Meeting the dues increase will become effective on the first day of the fiscal year immediately following..

Section 2. The Board may use funds for security purposes whether utilizing hired or contract services and/or equipment lease or purchase. Security shall always be considered by the Board when staging events for the public or members of the SCRO community.

Section 4. The Board may approve funds from time to time for supplies necessary for SCRO to function properly. For instance but not limited to office equipment, software or to procure the services of specialty data management packages.

Article XI: Miscellaneous

Section 1. (Historical Notation) These bylaws may be amended and new bylaws adopted as needed. Any change must be approved by a majority vote of the membership at an annual meeting. THESE BYLAWS WERE APPROVED BY A VOTE OF THE MEMBERS WHO ATTENDED THE ANNUAL MEETING ON AUGUST 6, 2005, WITH THE FOLLOWING PROVISION: That the board will investigate the possibility of changing the Articles of Incorporation to read: Lot owners of multiple lots will be restricted to one (1) vote, and that if a change can be made, the Bylaws will be changed as well.

Section 2 These bylaws as adopted during the Annual Meeting August 5, 2023 update and replace the previous bylaws adopted 8/6/2005 in their entirety.