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| Sangre de Cristo Ranch Owners, Inc. Board of Directors Meetings | Zoom meeting ID: 834 9260 1289 Zoom passcode: 543203 |
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**SCRO BoD Work Session for April 2026
Wednesday, April 22, 10:00am – 12:00pm on Zoom**

Agenda Packet

*Zoom link: <https://tinyurl.com/prer5uav>
(instructions for Zoom are on page 2)*

Call to order

Roll call

President: Nancy Frase
Vice-President Josabeth (Jo) Way
Secretary: Brandy Ryan
Treasurer: Dagmara (Mara) Rodriguez-Walters
At Large Member: Margie Palmer
At Large Member: VACANT
At Large Member: VACANT

Review of agenda

Discussion: Consider requests for modifications to the agenda.

Briefing from Costilla County Interim Sheriff, Joe Smith

Discussion about 2026 annual election (see attachment titled, "April Work Session Discussion Points")

Adjourn

About Zoom

Zoom link: <https://tinyurl.com/prer5uav>

Zoom meeting ID: 834 9260 1289

Zoom passcode: 543203

To join the Zoom meeting using audio and video:

- 1) Ahead of the meeting, download the Zoom app from the appropriate app store onto a device that has speakers, a mic, and a camera (camera is optional). You only need to do this one time.
- 2) A few minutes before the meeting, either click on the Zoom link (provided above) or, from within the app, click the "Join" button and enter the meeting ID & passcode (provided above).
- 3) You will be presented with a screen in which you can adjust your audio and video settings. When you are ready to join the meeting, click the "Join" button and you will be placed in the meeting's waiting room.
- 4) The meeting host will admit you into the meeting.

You can also dial-in from your phone (voice only):

- 1) Call 719-359-4580.
- 2) When prompted, enter the meeting ID (provided above) followed by the pound key.
- 3) When prompted for participant ID, just press the pound key (you don't have a participant ID).
- 4) When prompted, enter the meeting passcode (provided above) followed by the pound key.
- 5) You will be placed in the meeting's waiting room.
- 6) The meeting host will admit you into the meeting.

April Work Session Discussion Points

1. Timeline
 - a. Decline to establish a nominating committee?
 - b. Push annual meeting to Aug 8? (Vote now, ratify on May 7)
 - c. Apr 30: Distribute initial draft of annual meeting material (not formatted) and list of board candidates to the board for review
 - d. May 7 (board mtg): Review initial draft of annual meeting materials; approve list of board candidates
 - e. May 14: Distribute near-final draft of annual meeting material (loosely formatted) to the board for review
 - f. May 21-ish (work session): Review near-final draft of annual meeting materials
 - g. May 29: Distribute camera-ready drafts of annual meeting materials to the board for review
 - h. June 4 (board mtg): Approve camera-ready drafts of annual meeting materials; approve list of members entitled to receive notification of the annual meeting and to participate in the vote
 - i. June 15: Get paper materials printed (including USPS mailing labels); post digital material on website/FB
 - j. June 22: Prep paper election packets, envelopes, stamps, address labels
 - k. June 23-25: Paper election packets dropped at post office
 - l. July 2-4: Digital election packets emailed to members
 - m. Aug 4 @ 7pm: Returned ballots are due
 - n. Aug 6: Returned ballots are validated and cured
 - o. Aug 7: Results are compiled and certified
 - p. Aug 8: Results are announced during the annual meeting
2. Strategy for recruiting board candidates
3. Distribution of annual meeting materials (printed via USPS, digital via email, digital via website)
 - a. Blank ballot form (board positions & issue questions) – see attachment titled, “Counting Votes”
 - b. Privacy sleeve
 - c. Board candidate bios
 - d. Fact sheets for issues
 - e. Agenda summary
 - f. Agenda packet
 - g. President’s report
 - h. Financial & membership report (what should be included in this report?)
4. List of entitled members
 - a. For any membership vote by written ballot and for a membership meeting, we must determine the record date and create the associated list of members.
 - i. For votes taken by written ballot, the list of entitled members would indicate who is entitled to receive notification of the vote and to participate in the vote (i.e., 60 days before ballots are sent out).
 - ii. For membership meetings, one list is created to indicate which members are entitled to receive notification of the meeting (i.e., 60 days before meeting) and a

- second list is created to indicate which members are entitled to participate in verbal votes conducted during the membership meeting (i.e., 24 hours before meeting).
- iii. For each list of entitled members to be created, a “record date” is generated. All memberships in good standing as of the “record date” are to be included in the list of entitled members. Memberships established after that date are not entitled to receive notification or to take action on the subject matter.
- b. Definitions:
 - i. **Lot:** One legal lot in the Sangre de Cristo Ranches subdivision
 - ii. **Owner:** Natural persons (individual humans) or artificial persons (corporations, LLCs, LLPs, estates and the like) who are listed as the legal owner(s) of a given lot
 - iii. **Agent:** Natural persons who are authorized to vote on behalf of the lot owner(s); the agent can be someone who not an owner or co-owner of the lot as long as such authorization is recorded within SCRO’s written records
 - iv. **Member:** During the 4/2/2026 board meeting, the board approved the interim protocol for determining a quorum (see attachment titled, “Determining a Quorum...”). According to that approved protocol, a member is defined as the lot owner as a unit (“Sally and David Brown”), there is a one-to-one relationship among owners and members.
 - v. **Membership:** There is a one-to-one relationship among memberships, voting shares, and ballots, with a limit of 5 memberships per member. Each membership requires a payment of \$25/year (prorating applies).
 - c. List must show relationships among memberships (lots), members (lot owners), and agents – see attachment titled, “Membership Structure”
 - d. List must show the expiration date of each membership.
 - e. List must be displayed with the member names in alphabetical order and be available for inspection upon request by any member included in the list.
5. Potential ballot issues:
 - a. Structure of memberships (lots, voting shares, ballots) to members (lot owners) to agents to membership dues amounts, options include:
 - i. Propose a change to the bylaw section 3-1 to allow plural memberships
 - ii. Propose a change to the articles of incorporation to eliminate plural memberships
 - iii. Don’t place on ballot but hold discussion with the membership during the annual meeting
 - b. Procedures for determining a quorum in a membership meeting (propose changes to the bylaws that align with the approved interim protocol)
 - c. Process for conducting membership votes by written ballot outside of a membership meeting (propose changes to the bylaws that align with the yet-to-be-approved interim protocol)
 - d. Process for conducting membership votes during a membership meeting (would likely need to be taken by role call in order to ensure only entitled votes are allowed)
 - e. Define membership terms (runs from annual meeting to annual meeting) and pro-rating calculations, options include:
 - i. Follow our current interim protocol
 - ii. Propose that memberships run for 12 months from date of purchase
 - f. Reduce number of people needed to sign checks or use debit card
 - g. Limit on number of non-local members on the board (to take effect in 2027 election)
 - h. Mission statement
 - i. Approve meetings minutes
 6. Process for collection of returned ballots (digital & printed)

7. Process for verification of returned ballots (digital & printed)
 - a. Each ballot matches with an entitled membership
 - b. No more than one ballot has been received per membership
 - c. Ballot (or ballot sleeve?) has been signed by (if paper) or sent by (if digital) authorized agent
 - d. Directions for filling out the ballot have been followed (i.e., no more than two candidates for president/VP have been selected)
8. Process for curing returned ballots (digital & printed), if any
9. Process for counting votes
10. Process for certifying votes
11. Process for reporting votes at annual meeting & on website/FB
12. Details of hybrid meeting format

References

Colorado Revised Statutes

7-127-201. Members list for meeting and action by written ballot.

- (1) Unless otherwise provided by the bylaws, after fixing a record date for a notice of a meeting or for determining the members entitled to take action by written ballot, a nonprofit corporation shall prepare an alphabetical 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. The list shall show the address of each member 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.
- (2) If prepared in connection with a meeting of the members, the members list shall be available for inspection by any member entitled to vote at the meeting, beginning the earlier of ten days before the meeting for which the list was prepared or two business days after notice of the meeting is given and continuing through the meeting, and any adjournment thereof, at the nonprofit corporation's principal office or at a place identified in the notice of the meeting in the city where the meeting will be held. The nonprofit corporation shall make the members list available at the meeting, and any member entitled to vote at the meeting or an agent or attorney of a member entitled to vote at the meeting is entitled to inspect the list at any time during the meeting or any adjournment. If prepared in connection with action to be taken by the members by written ballot, the members list shall be available for inspection by any member entitled to cast a vote by such written ballot, beginning on the date that the first written ballot is delivered to the members and continuing through the time when such written ballots must be received by the nonprofit corporation in order to be counted, at the nonprofit corporation's principal office. A member entitled to vote at the meeting or by such written ballot, or an agent or attorney of a member entitled to vote at the meeting or by such written ballot, is entitled on written demand to inspect and, subject to the requirements of section 7-136-102 (3) and the provisions of section 7-136-103 (2) and (3), to copy the list, during regular business hours, at the member's expense, and during the period it is available for inspection.
- (3) If the nonprofit corporation refuses to allow a member entitled to vote at the meeting or by such written ballot, or an agent or attorney of a member entitled to vote at the meeting or by such written ballot, to inspect the members list or to copy the list during

the period it is required to be available for inspection under subsection (2) of this section, the district court for the county in this state in which the street address of the nonprofit corporation's principal office is located or, if the nonprofit corporation has no principal office in this state, the district court for the county in which the street address of its registered agent is located, or if the nonprofit corporation has no registered agent in this state, the district court for the city and county of Denver may, on application of the member, summarily order the inspection or copying of the list at the nonprofit corporation's expense and may postpone or adjourn the meeting for which the list was prepared, or postpone the time when the nonprofit corporation must receive written ballots in connection with which the list was prepared, until the inspection or copying is complete.

- (4) If a court orders inspection or copying of the list of members pursuant to subsection (3) of this section, unless the nonprofit corporation proves that it refused inspection or copying of the list in good faith because it had a reasonable basis for doubt about the right of the member or the agent or attorney of the member to inspect or copy the list of members:
 - (a) The court shall also order the nonprofit corporation to pay the member's costs, including reasonable counsel fees, incurred in obtaining the order;
 - (b) The court may order the nonprofit corporation to pay the member for any damages the member incurred; and
 - (c) The court may grant the member any other remedy afforded the member by law.
- (5) If a court orders inspection or copying of the list of members pursuant to subsection (3) of this section, the court may impose reasonable restrictions on the use or distribution of the list by the member.
- (6) Failure to prepare or make available the list of members does not affect the validity of action taken at the meeting or by means of such written ballot.

Restated Articles of Incorporation (1993)

Fifth Article: Membership in SANGRE DE CRISTO RANCH OWNERS, INC., shall be limited solely to person, including firms, corporations, partnerships and other legal entities recognized by Colorado law, acquiring or owning legal or equitable title to any lot or lots within the subdivision known as Sangre de Cristo ranches whether or not said lot or lots in existence as of the date of the incorporation of SANGRE DE CRISTO RANCH OWNERS, INC. Each lot shall have one (1) membership, regardless of the ownership of the lot, except that no person, corporation, partnership or other legal entity shall be entitled to more than five (5) memberships. Each membership shall be entitled to one(1) vote. In the event any lot is owned or being purchased by two or more persons, and if a certificate of membership is issued by SANGRE DE CRISTO RANCH OWNERS, INC., a single certificate shall be issued in the names of all the said owners. In any event, where there is a multiple ownership of a lot, the owners shall designate one of their members who shall have the power to vote at meetings of SANGRE DE CRISTO RANCH OWNERS, INC., whether or not evidence by a certificate, shall have such rights, privileges, limitations, prohibitions, restrictions and other attributes as are provided for in the by-laws of SANGRE DE CRISTO RANCH OWNERS, INC.

SCRO Bylaws (2024)

Article I: Recitals and Definitions

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.

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)/parcels(s) owner prevails.

Article IV: Membership Meetings

Section 1. The Annual Meeting of the members shall be on the first Saturday in August at 4:00 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.

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

Article VII: Duties and Powers of the Board

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.

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 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

Sangre de Cristo Ranch Owners, Inc. (SCRO)
Protocol for Counting Votes in the 2026 SCRO Board Elections

Last updated 3/5/2026, approved 3/6/2026 via email, ratified during the 4/2/2026 board meeting

There will be two board candidate-related questions on the ballot:

1. Select up to seven board candidates for membership on the board: Candidates will include everyone who has expressed interest in being on the board and whom the nominating committee has successfully vetted.
2. Select two candidates for president/vice-president of the board: Candidates will include everyone who has both 1) been included in the list of candidates for question #1, and 2) has expressed interest in being the president and/or vice-president of the board. The list of candidates in question #2 shall be a subset of the candidates listed in question #1.

Firstly, the votes for question #1 shall be counted. The successful candidates shall be the seven candidates who receive the highest number of votes. Write-ins shall not be considered. In the case of a tie for the seventh-ranking candidate, the remaining successful candidates shall select which of the tied candidates will fill the remaining open positions.

Secondly, the votes for question #2 shall be counted; any votes received by a presidential candidate who was not a successful candidate in question #1 shall not be counted. The new president shall be the candidate who receives the highest number of votes in question #2; the new vice-president shall be the candidate who receives the second highest number of votes in question #2. In the case of a tie, the new board will determine which of the two successful presidential candidates will be the president and which will be the vice-president.

The new board shall appoint the secretary and treasurer from among the remaining five successful board candidates.

Sangre de Cristo Ranch Owners, Inc. (SCRO) Determining a Quorum for Membership Meetings

Updated 4/1/2025, approved during 4/2/2026 board meeting as a temporary protocol until the mismatch in the governing documents can be addressed through a membership vote

Given the mismatch of “votes” and “members” in the bylaws, it is unclear how a quorum ought to be calculated for a membership meeting. Also, the bylaws do not address how a quorum is calculated for votes conducted through USPS mail or electronic means such as email or a website interface. This document describes a more conservative approach for calculating these quorums that would provide greater protection in the event of a legal challenge. This document serves as a guide for interpreting SCRO’s governing documents in this matter in the short term until amendments to the bylaws and/or the articles of incorporation can be approved by the membership.

- Article I, Section 5 of the bylaws states, “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.
- Article I, Section 6 of the bylaws states, “The term MEMBER shall mean an owner as described in Article 1 Section 5 whose dues to SCRO are paid up to date.”
- Article II, Section 1 of the bylaws states, “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, Section 1 of the bylaws states, “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)/parcels(s) owner prevails.
- Article IV, Section 3 of the bylaws states, “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.
- The articles of incorporation state that property owners have one vote per lot owned, up to five lots/votes.
- Nowhere is it indicated if members must pay a membership fee for each of those votes/lots (e.g., \$25 per lot) or if a single payment of \$25 covers all five lots.

There are two parts to the formula for determining a quorum for a membership meeting; both requirements must be met. One part pertains to the number of board members present; the other part pertains to the number of general members present.

- At least four board members must be present in the meeting
- At least six “members” must be present in the meeting. This could be interpreted as:
 - Six individual humans from three families/households (2 humans per household)
 - Six households – but would the households that include a board member and a general member count towards the six general members since they have already been counted towards the four board members?
 - Six memberships from two owners (3 lots per owner) – again, would the memberships owned by board members be counted toward the six general members?

Determining who is a “member” of SCRO

If multiple people co-own a lot, they are collectively considered to be a single “owner.”

The “owner” of each lot may purchase one SCRO membership per lot; owners of multiple lots may purchase memberships for each of their lots up to a maximum of five lots/membership (so, \$25 x 5 lots = \$125).

An owner may cast one vote per membership purchased.

Determining a quorum for a membership meeting

For the part of the quorum pertaining to board members, four board members must be present.

For the part of the quorum pertaining to general members, six unique members (not memberships/votes) must be present; those members are counted even if a board member is a co-owner of a given lot. Thus, if four members (e.g., households or corporations) have purchased six memberships collectively (2 owners purchased 1 membership each, 2 owners purchased 2 memberships each), the number of members counted for the quorum would be four. However, when the vote is conducted, each membership (rather than member) may cast a vote.

Determining a quorum for membership vote conducted via USPS or digital means such as email or a website interface, as would be the case for the ballot for the 2026 annual meeting

For the part of the quorum pertaining to board members, four board members must cast a vote.

For the part of the quorum pertaining to general members, six unique members (not memberships/votes) must cast a vote; those members are counted even if a board member is a co-owner of a given lot. Thus, if four members (e.g., households or corporations) have purchased six memberships collectively (2 owners purchased 1 membership each, 2 owners purchased 2 memberships each), the number of members counted for the quorum would be four. However, when the vote is conducted, each membership (rather than member) may cast a vote.

When scheduling such a vote, the board must set an eligibility date ahead of when the ballot is first distributed. All members/memberships who are current as of that eligibility date are eligible to participate in the vote. Members who join after that date cannot participate in the vote.

Votes conducted in this manner cannot be combined with votes conducted via a voice or role-call vote during a meeting. A vote must be conducted either exclusively in a meeting or exclusively via USPS/email/website.

SCRO Membership Structure

