

Section 1

Adoption, Amendment, or Repeal of the Association's Articles, Covenants, Bylaws, Policies and Procedures, Architectural Standards, and Other Association Documents

Policy

The governing documents affecting the Association and its members are the Bylaws; Declaration of Covenants, Conditions, Restrictions and Easements (CCR&Es); Articles of Incorporation (Articles); Policies, Procedures, Rules, and Regulations (Hereafter referred to as the Policies and Procedures); Architectural Standards; and Committee Charters. It is the policy of the Association to update these governing documents as needed to reflect changed conditions, address the interests of the broad membership, and comply with the applicable provisions of Colorado's Common Interest Ownership Act and other state and federal requirements. It is also the Association's policy to make these documents available to members in a reasonably readable form.

Procedure for Amending the Association's Articles, Covenants, and Bylaws

Step 1: Initiating Proposed Amendments. At the request of the Board or on their own initiative, the Covenants and Rules Committee (CRC) shall review the Articles, Bylaws, and CCR&Es for consistency with the above policy and make recommendations to the Board. Proposals by the Board or CRC to amend or make other changes to these documents shall appear for discussion on the agenda of a properly noticed board meeting.

Step 2: Procedure for Amendments. If the Board by resolution decides to proceed with amending any of these documents, the following procedure shall apply:

- a. Working with the CRC, the Board shall coordinate the drafting of the amendments and seek member input on the draft amendments during at least one properly noticed meeting of the Board, before which the draft amendments shall be posted on the web site and in a conspicuous physical location for at least 15 days.
- b. The final text of the amendments shall be adopted by the Board by resolution and shall be submitted to the members of the Association for vote at a regular or special meeting of members in accordance with the voting requirements and procedures specified in the Articles, CCR&Es, and the Bylaws.
- c. At the members' meeting called for the purpose of voting, if the quorum requirements are met, there should be a reasonable period of time for discussion at the conclusion of which the vote shall be closed and the ballots counted and reported. The Board shall record the vote by resolution. In the case of amendments to the CCR&Es, the Board shall order the Secretary to certify and record the amendments in the official records of Ouray County.

- d. To facilitate the posting and easy reading of the amended document, the amendments shall be integrated into a consolidated or restated version of the amended document. The Board shall coordinate this process. In the case of the CCR&Es, the restatement shall contain in the recitals the complete description of the recorded documents used in assembling the restated document.
- e. The consolidated or restated version of the amended document shall be adopted by the board. In the case of the CCR&Es, the Board shall consider including the following in its resolution adopting the restated version:

This ... (document name) ... is a transcribed and consolidated version of the actual recorded documents listed in its Recital. While care was taken in the transcription process to minimize errors, some discrepancies from the original documents may be present. In the event of any conflict between this Restatement and its original counterparts or in their legal effect, the original recorded documents shall control and should be referenced for certainty with regard to any specific provision or effect.

- f. The restated or amended document shall be posted on the Association website.

Procedure for Adopting, Amending, or Repealing the Other Association Documents Other Than the Bylaws, CCR&Es, and Articles (Hereafter referred to as Other Documents)

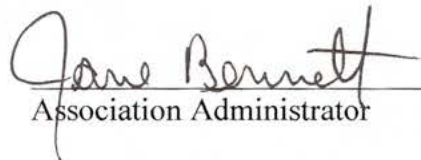
Step 1: Proposal. If the Board of Directors should decide that it would be in the best interest of the Association to adopt, amend, repeal or otherwise change any of the Other Documents, such a proposal shall be presented in a regular or special meeting of either the Board or the Members and shall appear on the agenda of that meeting at which the matter is to be proposed. If the Covenant and Rules Committee (CRC), other committees, or individual Members of the Association propose any change to any of the Other Documents, the matter need not appear on the agenda of any meeting before the matter is proposed.

Step 2: Committee Review. Once the Board, CRC, other committee, or the Members have proposed adoption or amendment of any of the Association's Other Documents pursuant to Step 1, the Board will submit the proposed change(s) to the CRC. The CRC will then submit a written draft of the proposed change(s) for presentation to the Board at their next meeting, or at some other time determined by the Board. The draft, as presented, may consist of the precise change-language proposed by others, or it may be a draft prepared by the CRC with input from others, or both. If the CRC is requested to forward a draft prepared by others to the Board, the CRC may attach its own comments, recommendations, or proposed changes. The CRC is empowered to determine what it believes to be the best means of gathering information, if needed, or of producing the draft. The CRC may survey or interview Members, or some group thereof, or seek legal counsel. The CRC, however, must obtain Board approval before committing Association funds for any purpose, including legal expenses. The CRC is to make a

good faith effort to communicate with all sides of a disputed issue. The Chair of the CRC will notify the Board President when the written draft is ready for presentation to the Board.

- Step 3: Board Review.** At the next meeting of the Board, or at some other time the Board should set, the CRC's written proposal(s) will be presented to the Board. The Board will then open the matter for discussion as provided for in these Policies and Procedures. After comments on the proposed adoption, amendment, repeal or other change have been taken, the Board will vote on whether the change should be adopted, further amended, laid on the table, or re-referred to the CRC. The Board shall prepare the adopted text.
- Step 4: Member Review.** At least seven days before the board meeting described in Step 5, below, the proposed changes shall be posted for member review and comment on the Association's website and noticed in the posted agenda for that board meeting. On matters considered by the CRC or the Board to be of particular significance to the membership, the CRC may recommend the Board provide extra opportunity for member review, such as a longer review period, notification through the Association Newsletter, special member meeting, etc.
- Step 5: Adoption of Policies and Procedures.** Adoption, amendment, repeal or other changes to any of the Other Documents will be made by a simple majority vote (51%) of the Board of Directors at a regular or special meeting of the Board called for that purpose.
- Step 6: Publication.** If the proposed change is adopted in Step 4, the Secretary of the Association will cause the change to be made to any of the relevant Other Documents. Copies of the document reflecting the changes will then be posted on the Association's website or otherwise circulated to the Members as provided for in the Policies and Procedures.

Adopted September 17, 2007
Amended November 6, 2008
Amended May 12, 2009
Amended November 9, 2010



Association Administrator