



**REC: VALLECITO VALLEY SECOND ADDITION PROPERTY OWNERS ASSOCIATION, INC.
PO Box 1566, Bayfield, CO 81122**

**AMENDED & RESTATED BYLAWS
(July 2023)**

**ARTICLE 1
INTRODUCTION**

These are the Amended and Restated Bylaws of Vallecito Valley Second Addition Property Owners' Association, Inc. which shall operate under the Colorado Nonprofit Corporation Act, as amended, and the Colorado Common Interest Ownership Act, as amended ("Act"). The name of the corporation is Vallecito Valley Second Addition Property Owners Association, Inc. (hereinafter referred to as the "Association"). Definitional terms used herein shall correspond to the Act or the definitions used in the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Vallecito Valley Second Addition, recorded at Reception No. 1205404 as may be amended from time to time (the "Declaration").

These Amended and Restated Bylaws have been amended and restated in order to adopt and incorporate the provisions of the Act relating to the governance of common interest communities and to consolidate the numerous amendments made to the original bylaws. The effect of the adoption of these Amended and Restated Bylaws shall be to supersede and replace, in their entirety, the original bylaws of the Association dated in the year 1991 and subsequent amendments dated July 24, 1993, December 20, 2002, July 9, 2005, and July 5, 2014, July 4, 2015 (recorded in the real property records at Reception No 1099047), and January 31, 2017 (recorded in the real property records at Reception No. 1128295).

Adoption of these Amended and Restated Bylaws was approved by the affirmative vote of a majority of the Board of Directors as required by this Article 7, Section 7.1 of the 2017 Bylaws.

**ARTICLE 2
BOARD OF DIRECTORS**

Section 2.1 Number and Qualification.

1. The affairs of Vallecito Valley Second Addition and its Association shall be governed by a Board of Directors (defined by the Act) which shall consist of at least five (5) persons, all of whom must be owners or co-owners of a Lot. Directors need not be residents of the state of Colorado. Only one person for each Lot may be elected to the Board of Directors at any one time. If any Lot is owned by a trust, limited liability company, partnership or corporation, any trustee, officer, manager, partner, or member of that Owner shall be eligible to serve as a member of said Board of Directors (a "Director") and shall be deemed to be an Owner for the purposes of the preceding sentence. At any meeting at which Directors are to be elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Colorado Nonprofit Corporation Act for conducting the

elections. The number of Directors may be increased or decreased from time to time by Resolution of the Directors.

2. The Board of Directors shall appoint the officers. The Directors and officers shall take office upon election or appointment.
3. Director terms shall be staggered. The initial term of office for one member of the Board of Directors shall be fixed at three years, the term of office of one member of the Board shall be fixed at two years, and the term of office of one member of the Board shall be fixed at one year. At the expiration of the initial term of office of each member of the Board, the successor shall be elected to serve for a term of three years. Each Director shall then hold office for a term of three years, or for the unexpired term to which he or she is appointed, and, in either case, until the first meeting attended by their qualified successor.
4. Directors shall be elected at the annual meeting of Owners and the nominee receiving the highest number of votes shall be elected to the position of director.
5. Directors shall serve without compensation unless the Board of Directors, by resolution, determines that the Association shall pay a fee for such service. Directors shall be entitled to reimbursement of reasonable costs and expenses incurred in connection with their duties as a director so long as approved by the majority of the Board of Directors.
6. Directors may not serve on the Board of Directors if not current on all assessments.

Section 2.2 Powers and Duties. The Board of Directors may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Board of Directors shall have all powers and duties set forth in the Act, subject to the limitations contained in the Declaration, necessary for the administration of the affairs of the Association and of the Common Interest Community, including the following powers and duties:

1. Adopt and amend the Association Documents, namely, these Bylaws, any Rules and Regulations (the "Rules and Regulations"), any policies and procedures (the "Policies and Procedures"), the Design Review Standards, and the Declaration according to its terms and conditions;
2. Adopt and amend budgets for revenues, expenditures and reserves;
3. Collect and levy annual assessments for Common Expenses from Owners and also collect and levy special and default assessments;
4. Hire and discharge managing agents;
5. Hire and discharge employees, independent contractors and agents other than managing agents;
6. Institute, defend or intervene in litigation or administrative proceedings, file liens, or seek injunctive relief for violations of the Association's Declaration, Bylaws, Rules and Regulations, or Policies and Procedures in the Association's name, on behalf of the Association or two or more Owners on matters affecting the Association;
7. Make contracts and incur liabilities; borrow funds for any purpose in connection with their duties and to execute all such instruments evidencing such indebtedness, including mortgages and security agreements; and assign the right to future income, including the right to receive common expense assessments;
8. Regulate the use, maintenance, repair, replacement and modification of Common Elements;
9. Cause additional improvements to be made as a part of the Common Elements;

10. Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to §38-33.3-312 of the Act;
11. Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions through or over the Common Elements, such easements or licenses to include easements as may be necessary for underground utilities for electric, gas, cable and telephone and any easements necessary for sewer, storm, water and water systems;
12. Impose and receive a payment, fee or charge for services provided to Owners for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Subsections 202(1)(b) and (d) of the Act;
13. Impose a reasonable charge for late payment of assessments, recover reasonable attorney's fees and other legal costs for collection of assessments as specified in the Governance Policies and Procedures and other action to enforce the power of the Association (regardless of whether or not suit was initiated) and, after notice and hearing as specified in Governance Policies and Procedures for Vallecito Valley Second Addition Property Owners Association, Inc., levy a reasonable fine for a violation of the Declaration, Bylaws, and Rules and Regulations, Design Review Standards of the Association.
14. Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;
15. Provide for the indemnification of the Association's officers and the Board of Directors, committee members, and maintain Directors' and officers' liability insurance;
16. Exercise any other powers conferred by the Declaration or Bylaws;
17. Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;
18. Exercise any other power necessary and proper for the governance and operation of the Association;
19. By resolution, establish committees, including the Architectural Review Committee (the "ARC") and committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees, including the ARC, must maintain and publish notice of their actions to Owners and the Board of Directors;
20. Suspend the voting interests allocated to a Lot, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any assessment or, after notice and a hearing, during any time in which an Owner is in violation of any other provision of the Association Documents; and
21. At its discretion and by resolution of the Board of Directors, declare the office of a member of the Board of Directors to be vacant in the event such member shall fail to attend three (3) regular meetings of the Board of Directors during any one year period.

Section 2.3 Manager. The Board of Directors may employ a Manager for general management of the Association, at a compensation established by the Board of Directors, to perform duties and services authorized by the Board of Directors. The Board of Directors may delegate to the Manager only the powers granted to the Board of Directors by these Bylaws under Section 2.2, Subdivisions (c), (e), (g) and (h). Licenses, concessions and contracts may be executed by the Manager pursuant to specific resolutions of the Board of Directors and to fulfill the requirements of the budget. **The Board of Directors shall not delegate to any managing agent any powers relating to the collection, deposit, transfer or disbursement of funds of the**

Association unless the managing agent maintains fidelity insurance coverage in an amount not less than \$25,000.00 or such higher amount as determined by the Board of Directors; provides an annual accounting for the Association funds; and maintains the Association's funds separate from funds of any other Association that may be managed by said managing agent.

Section 2.4 Removal of Directors. The Owners, with the affirmative vote of at least 67% of the total votes in the Association may remove any Director of the Board of Directors, with or without cause. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

Section 2.5 Vacancies. Vacancies in the Board of Directors, caused by any reason other than the removal of a Director by a vote of the Owners, may be filled at a special meeting of the Board of Directors held for that purpose at any time after the occurrence of the vacancy and that person appointed by the Board shall hold office only until the annual meeting of Owners at which time the Owners will vote to elect a director to fill the remainder of the vacated director's term. Vacancies of Directors resulting from the removal of a Director by Owners pursuant to Section 2.4 shall be filled at a special meeting of the Owners and that elected person shall be a Director for the remainder of the term of the Director so replaced.

Section 2.6 Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each member of the Board at least 4 days prior to the time of meeting if by mail or at least 48 hours prior to the time of meeting if by email. The time and place and agenda for regular meetings of the Board of Directors shall be made reasonably available for examination by all members of the Association or their representatives by posting in a conspicuous place and by posting to a website. All regular meetings of the Board of Directors shall be open to attendance by all members of the Association or their representatives.

Section 2.7 Special Meetings. Special meetings of the Board of Directors may be called by the President or by at least two of the Directors on at least 48 hours' notice to each Director. In addition to being posted on the Association website, the notice shall be hand-delivered, or mailed, or emailed to the Board members, and shall state the time, place and purpose of the meeting. All special meetings of the Board of Directors shall be open to attendance by all members of the Association or their representatives. The time and place and agenda for special meetings of the Board of Directors shall be made reasonably available for examination by all members of the Association or their representatives by posting in a conspicuous place and on the Association website.

Section 2.8 Location of Meetings. All meetings of the Board of Directors shall be held within La Plata County (which shall include participation by electronic means as provided in Section 2.12) at a location agreed upon by a majority of the Directors, unless the Directors consent to another location.

Section 2.9 Waiver of Notice. Any Director may waive notice of any meeting in writing before or after such meeting. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all the Directors are present at any meeting, no waiver of notice shall be required, and any business may be transacted at such meeting.

Section 2.10 Quorum of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.11 Action Taken Without a Meeting. The Directors will have the right to take any action which they could take at a meeting in the absence of a meeting by doing the following:

1. A written notice is sent to all Board members of the action proposed to be taken.
2. The notice states the time by which a Board member must respond.
3. Each Board member votes, in writing "for" or "against" or "abstains" or fails to respond to the action.
4. No Board member demands a meeting for the proposed action.

Upon completion of the above procedure and provided that no member has demanded a meeting for the proposed action, the action will have the same effect as though taken at a meeting of the Board of Directors.

Section 2.12 Telephone or Video Communication in Lieu of Attendance. A Director may attend a meeting of the Board of Directors by using telephonic communication. In its discretion, the Board may conduct a board meeting via Zoom, or other form of video communication whereby the Director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board of Directors. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter. Regarding video conference meetings, the host appointed by the Board must be knowledgeable as to how to conduct meetings via video conferencing and will be responsible for sending the meeting link via email to any email addresses provided by Owners who wish to attend. The host will control mute buttons to ensure orderly procedure. If Owners elect to attend a board meeting via video, Owners are responsible for having the equipment necessary for connection.

Section 2.13 Board Member Education. The Board of Directors may authorize and account for as a common expense of the Association, reimbursement of Board members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of owners' associations. The course content of such educational meetings and seminars shall be specific to Colorado and shall make reference to the Act.

ARTICLE 3 OWNERS

Section 3.1 Annual Meeting. Annual meetings of Owners shall be held on the Saturday closest to July 4th, unless otherwise determined, at the discretion of the Board of Directors. At the annual meeting, the Directors shall be elected by vote of the Owners in accordance with the provisions of Article 2.1(4) of the Bylaws. In order to vote at the annual meeting, Owners must attend the meeting in person or provide a proxy for their vote in accordance with Section 3.9(3). The Owners may transact other business as may properly come before them at these meetings.

Section 3.2 Budget Meeting. At a regular meeting of the Board of Directors or at a special meeting called for such purpose, the Board of Directors shall approve a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year. At least 30 days prior to the annual meeting of the Association, a summary of the proposed budget approved by the Board of Directors shall be mailed or emailed to the Owners along with a notice of annual meeting of the Association. Unless 67% of all Owners reject the proposed budget at the annual meeting, the budget is deemed ratified. In the event the proposed budget is rejected, the budget last ratified by the Owners continues until such time as the Owners ratify a subsequent budget proposed by the Board of Directors as provided above. If the Board of Directors deems it necessary or advisable to amend an annual budget that has been ratified, the Board of Directors may adopt a proposed amendment to the annual budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than ten (10) nor more than fifty (50) days after the delivery of the summary of the proposed amendment. Unless at that meeting 67% of the votes allocated to all Owners, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

Section 3.3 Special Meetings. Special meetings of the Association may be called by the President, by two or more members of the Board of Directors, or by written request of Owners comprising at least twenty percent (20%) of the votes in the Association. A request by the Owners shall state the purpose of such meeting and the matter proposed to be acted upon at the special meeting.

Section 3.4 Place of Meetings. Meetings of the Owners (including special and annual meetings) shall be held at the principal office of the Association or at a suitable place convenient to the Owners, as may be designated by the Board of Directors or the president.

Section 3.5 Notice of Meetings. The secretary or other officer specified in the Bylaws shall cause notice of meetings of the Owners to be posted on the Association mailboxes and hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to the mailing address designated in writing by the Owner, not less than 10 nor more than 50 days in advance of a meeting. **To all Owners who so request in writing and who furnish the Board of Directors with their electronic mail addresses, the Association shall provide notice of all meetings of Owners by electronic mail. In the event an Owner has requested that the Board of Directors communicate with such Owner via email, the Board of Directors shall not be obligated to send such Owner any meeting notices or other correspondence via regular mail. In an effort to save the Association mailing expenses, the Association's preference is to correspond with Owners via email.**

No action shall be adopted at a meeting except as stated in the agenda. The notice of any meeting (including meetings of the Board of Directors) shall be physically posted in a conspicuous place to the extent that such posting is feasible and practicable, or on the Association website, in addition to any electronic posting or electronic mail notices. The notice must state the time and place of any meeting, the items in the agenda, including the general nature of any proposed amendment to the Declarations or Bylaws, any budget changes, and any proposal to remove an officer or member of an Executive Committee.

Section 3.6 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Owners in writing (which shall include written notification by way of email). Any reply or response from an Owner to a notice of meeting or written communication regarding an upcoming meeting shall be deemed equivalent to

the Board of Directors' receipt of a waiver of notice as to said meeting from such Owner. Attendance at a meeting by an Owner shall constitute a waiver of notice for such meeting.

Section 3.7 Adjournment of Meeting. At any meeting of Owners, a Majority of the Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time. When any meeting of Owners is adjourned for more than 30 days, notice of the meeting shall be given as in the case of the original meeting.

Section 3.8 Order of Business. The order of business at all meetings of the Owners shall be as follows:

1. Roll call (or check-in procedure);
2. Proof of notice of meeting;
3. Reading of minutes of preceding meeting;
4. Reports;
5. Establish number and term of memberships of the Board of Directors (if required and noticed);
6. Election of inspectors of election (when required);
7. Election of Directors of the Board of Directors (when required);
8. Ratification of budget (if required and noticed);
9. Unfinished business; and
10. New business.

Section 3.9 Voting.

1. The owner(s) of each Lot shall have one vote ("Vote") for each Lot.
2. If only one of several owners of a Lot is present at a meeting of the Association, the Owner present is entitled to cast the Vote allocated to that Lot. If more than one of the Owners is present, the Vote allocated to the Lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the owners casts the Vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by another owner of the Lot.
3. The Vote allocated to a Lot may be cast under a proxy duly executed by an Owner. An Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates 11 months after its date unless it specifies a shorter term.
4. The Vote of a corporation or trust may be cast by any officer of that corporation or trustee of that trust in the absence of express notice of the designation of a specific person by the Board of Directors or bylaws of the owning corporation or business trust. The Vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The Vote of a limited liability company may be cast by any manager in the absence of express notice of the designation of a specific person by the limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation or trust, a partnership, or a limited liability company is qualified to vote.
5. Votes allocated to a Lot owned by the Association may not be cast.

6. Votes for contested positions on the Executive Board shall be by secret ballot. A vote affecting the common interest community may also be taken by secret ballot, at the discretion of the Executive Board or upon the request of 20% of the Unit Owners who are present at a meeting, if a quorum has been achieved. (Uncontested elections of the Board of Directors need not be made by secret ballot.) Secret ballot shall mean a voting process in which votes are cast by way of paper ballot and not by show of hands. The results of how each individual Owner has voted shall not be publicized to the members. The intent of this provision is to promote good relations within the Association and allow Owners the freedom to vote without negative repercussion from other members. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the Board of Directors or another person presiding during that portion of the meeting. The volunteers shall not be Board of Directors members and, in the case of a contested election for a Board of Directors position, shall not be candidates. Volunteers shall not disclose how an individual voted or how an individual's proxy voted upon an issue to the extent any such information is known by the volunteers. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Owners participating in such vote.

Section 3.10 Quorum. Except as otherwise provided in these Bylaws, a quorum is deemed present throughout any meeting of the Owners, if persons entitled to cast 25% of the votes are present in person or by proxy.

Section 3.11 Majority Vote. The Vote of a majority of the voting interests allocated to Owners, present in person or by proxy at a meeting at which a quorum is present, shall be binding upon all Owners for all purposes except where a higher percentage Vote is required in the Declaration, these Bylaws or by the Act.

Section 3.12 Voting by Mail. Except as limited by Section 2.4 above, the Board of Directors may decide that voting of the Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by written ballot. Any action that may be taken at any annual or special meeting of Owners may be taken without a meeting if the secretary delivers a written ballot to every member entitled to vote on the matter. "Delivery" to the Owner of the ballot and the Owner's return of the completed ballot shall be made by the same methods available for providing notice to an Owner set forth in Section 3.5 above. Ballots may be returned via mail, electronic mail or by facsimile, all of which shall be treated as an original ballot.

1. A written ballot shall:
 - a. set forth the proposed action; and
 - b. provide an opportunity to vote for or against each proposed action.
2. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action (applicable only if the vote must occur at a meeting), and the number of approvals equals or exceeds the number of votes that would be required to approve the matter.
3. All solicitations for votes by written ballot shall:
 - a. indicate the number of responses needed to meet the quorum requirements;

- b. state the percentage of approvals necessary to approve each matter. Written ballots shall be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

ARTICLE 4 OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be appointed by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. The president and vice president, but no other officers, need to be Directors. Any two offices may be held by the same person, except the offices of president and secretary may not be the same person. The office of vice president may be vacant.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors. Officers shall hold office at the direction of the Board of Directors until his or her successor has been chosen or until resignation or removal.

Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, whenever the Board in its discretion determines that the best interests of the Association would be served thereby. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose.

Section 4.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Owners and of the Board of Directors. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.5 Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other Director to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Board of Directors or by the president.

Section 4.6 Secretary. The secretary shall attend all meetings of the Board of Directors and all meetings of the Owners and shall record all votes and shall keep the minutes of all meetings of the Owners and the Board of Directors. The secretary shall have charge of the Association's books and papers as the Board of Directors may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary shall cause to be given notices of regular and special meetings. The secretary may cause to be prepared and may attest to execution by the president of

amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.7 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Board of Directors and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Board of Directors. The Treasurer, from time to time, may delegate the authority to deposit checks into the Association operating account. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Board of Directors decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by two Directors, one of whom may be the treasurer if the treasurer is also a Director.

Section 4.8 Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.6, 4.7 and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Board of Directors.

Section 4.9 Statements of Unpaid Assessments. The treasurer, assistant treasurer, or manager employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with §38-33.3-316 of the Act.

Section 4.10 Transfer Fees. The Association may charge a reasonable fee in connection with an Owner's transfer of a Unit to cover, among other things, the time and expense incurred in connection with preparation of documentation and accounting necessary to effect the transfer within the books and records of the Association, the provision of governing documents, the education of Owners and establishing reserves. The amount of this fee shall be established by resolution of the Executive Board at a duly called meeting of the Board.

ARTICLE 5 INDEMNIFICATION

To the extent the indemnification is covered by insurance procured by the Association, each Director and officer of this Association shall be indemnified by the Association against all costs and expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit, or proceedings to be liable for negligence or misconduct in the performance of duty; except as to matters as to which that person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of

curtailing litigation, but only if the Association is advised in writing by its counsel that, in his opinion, the person indemnified did not commit such negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which a corporate officer or Director may be entitled as a matter of law or by agreement.

All liability, loss, damage cost and expense incurred or suffered by the Association by reason of, or arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense of the Association.

ARTICLE 6 RECORDS

Section 6.1 Records and Audits. The Association shall maintain financial records in accordance with generally accepted accounting principles. Audits shall be required by majority vote of the Board of Directors or upon request of the Owners pursuant to C.R.S. 38-33.3-303(4) (b) (II). The cost of any audit shall be a Common Expense unless otherwise provided in the Documents.

ARTICLE 7 AMENDMENTS TO BYLAWS

Section 7.1 Procedure. These Bylaws of the Association may be amended by a majority vote of the members of the Board of Directors, following notice and comment to all Owners pursuant to Section 3.5, at any meeting duly called for such purpose.

Section 7.2 Mortgagees. No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any mortgage covering any Lot.

ARTICLE 8 PUBLIC DISCLOSURES

Section 8.1 Within 90 days after the end of each fiscal year, the Association shall make the following information available to Owners upon reasonable notice in accordance with Section 8.2:

1. The date on which its fiscal year commences;
2. Its operating budget for the current fiscal year;
3. A list, by Lot, of the Association's current assessments, including both Annual and Special assessments;
4. Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
5. The results of the most recent financial audit or review;
6. A list of all Association insurance policies, including but not limited to, property general liability, Association Director and officer liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
7. All Association Bylaws, Articles, and Rules and Regulations;

8. The minutes of the Board of Directors and Member meetings for the fiscal year immediately preceding the current annual disclosure;
9. The Association's responsible governance policies adopted under Section 38- 33.3-209.5; and,
10. The name of the Association; the name of the Association's manager or designated agent, a valid physical address and telephone number for the Association and designated agent or management company, if any; the name of the common interest community; the initial date of recording of the declaration and its reception number.

Section 8.2 Disclosure of the above-referenced items shall be accomplished by one of the following means: posting on an internet web page with accompanying notice of the web address via first class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a common expense liability.

ARTICLE 9 MISCELLANEOUS

Section 9.1 Notices. All notices to the Association or the Board of Directors shall be delivered to the office of the President, or to the office of the Association if different from the President, or to such other address as the Board of Directors may designate by written notice to all Owners and, if required under the Declaration, to all holders of First Mortgages in the Lots who have notified the Association that they hold a First Mortgage in a Lot. Except as otherwise provided, all notices to any Owner shall be sent to the Owner's US mail or email address as it appears in the records of the Association. All notices to holders of First Mortgages, if required under the Declaration, in the Lots shall be sent, except where a different manner of notice is specified elsewhere in the Association Documents, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices from the Association to Owners shall be deemed to have been given when mailed or emailed. Notices from Owners to the Association, such as changes of address, shall be deemed to have been given when received by the Association. Owners are encouraged to send any notice or change of address to the Association via mail and email care of both the Association's president and secretary and managing agent.

Section 9.2 Fiscal Year. Unless otherwise established by resolution of the Board of Directors, the fiscal year of the Association commences on July 1st and ends on June 30th of each year.

Section 9.3 Bank Accounts. The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board of Directors.

Section 9.4 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.


Section 9.5 Office. The principal office of the Association shall be at such place as the Board of Directors may from time to time designate.

Section 9.7 Standard of Care. In the performance of their duties, the officers and Directors are required to exercise ordinary and reasonable care.

Section 9.8 Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.


Section 9.9 Consolidation of Lots. If a Lot Owner owns adjacent lots and obtains an approved consolidation of two or more lots through applicable platting procedures of the County of La Plata, State of Colorado, the Owner shall be assessed common expenses by the Association based on the original number of Lots owned prior to the consolidation and the Owner shall be allocated voting rights based upon the original number of Lots owned prior to the consolidation. By way of example, if an Owner owns 4 adjacent lots which are replatted and consolidated into one large lot, the Owner of the consolidated lot shall be assessed based on 4 lots and the Owner shall be allocated 4 votes.

CERTIFICATION: Certified to be the Bylaws adopted by consent of the Board of Directors of the Vallecito Valley Association Second Addition Property Owners Association, Inc., July 20, 2023.



President, Charlotte Lindborg

ATTEST:



Secretary, John Wilson