

WRITTEN CONSENT IN LIEU OF A SPECIAL MEETING

OF THE BOARD OF DIRECTORS OF

MCCORMICK RANCH ASSOCIATION, INC.

A Colorado nonprofit corporation

In lieu of a special meeting of the Board of Directors, the undersigned Directors of McCormick Ranch Association hereby adopt the following resolution by consent:

IT IS RESOLVED that the Board has unanimously agreed to approve the reroute of the easement for the Crested Butte Nordic ski track that connects the Town Ranch trailhead to The Maze and Middle Earth Nordic areas. The easement currently runs east through the bottom of Lot 7, then northeast through Lots 5, 4, 2, and 3. The new route will run east through the bottom of Lot 7, then northeast and north through Lot 5 to the border with Moon Ranch, as shown on the map sent to the Board on August 12, 2019 by Christie Hicks, Executive Director of Crested Butte Nordic. This easement will remain revocable at any time by the Board or the owner of Lot 5. The Board has agreed on conditions of the easement and sent those to Christie Hicks. A document will be prepared by David Leinsdorf and signed by the Board and the Town of Crested Butte.

IN WITNESS WHEREOF, the Board by signing this Consent hereby agrees to the transaction of business by written consent as set forth herein and in lieu of a special meeting, and further agrees the separately signed documents of each Board member shall be treated as one document and as the original.

Dated the 20th of September 2019 - APPROVED:

/s/ _____

Scott Nelson - President

/s/ _____

John R. Mason - Secretary/Treasurer

/s/ _____

Jeff Serra - Vice President



STATE FARM FIRE AND CASUALTY COMPANY
A STOCK COMPANY WITH HOME OFFICES IN BLOOMINGTON, ILLINOIS

3 Ravinia Drive
Atlanta GA 30346-2117

Named Insured

AT1 M-20-1957-FAD1 F V
001195 3125
THE MC CORMICK RANCH ASSOC
PO BOX 2776
CRESTED BUTTE CO 81224-2776



RENEWAL DECLARATIONS

Policy Number 96-GK-5187-1

Policy Period	Effective Date	Expiration Date
12 Months	MAR 8 2019	MAR 8 2020
The policy period begins and ends at 12:01 am standard time at the premises location.		

Agent and Mailing Address
RICHARD ALMGREN INS AGENCY INC
PO BOX 659
GUNNISON CO 81230-0659

PHONE: (970) 641-1407

Residential Community Association Policy

Automatic Renewal - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Entity: CONDO

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

POLICY PREMIUM \$ 625.00
Minimum Premium

Discounts Applied:
Renewal Year
Claim Record

Prepared
JAN 08 2019
CMP-4000

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RENEWAL DECLARATIONS (CONTINUED)

Residential Community Association Policy for THE MC CORMICK RANCH ASSOC
 Policy Number 96-GK-5187-1

This Policy does not provide any SECTION I - PROPERTY coverage

SECTION II - LOCATION SCHEDULE

Location Number	Location of Described Premises
001	100 MCCORMICK RANCH RD CRESTED BUTTE CO 81224

SECTION II - LIABILITY

COVERAGE	LIMIT OF INSURANCE
Coverage L - Business Liability	\$1,000,000
Coverage M - Medical Expenses (Any One Person)	\$5,000
Damage To Premises Rented To You	\$300,000
Directors And Officers Liability	\$1,000,000
AGGREGATE LIMITS	LIMIT OF INSURANCE
Products/Completed Operations Aggregate	\$2,000,000
General Aggregate	\$2,000,000
Directors and Officers Aggregate	\$1,000,000

Each paid claim for Liability Coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Coverage Form and any attached endorsements.

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION BOARD MEETING
318 ELK AVENUE, SUITE 24
CRESTED BUTTE, COLORADO
TUESDAY, FEBRUARY 25, 2020**

Present: John Mason
Rob Harper, Toad Property Management
Scott Kelley, Toad Property Management

By Phone: Jeff Serra
Scott Nelson
Patti Bailey

The meeting was called to order at 2:38 p.m. and Scott Kelley confirmed there was a quorum.

Scott Kelley explained the Covenants required a public hearing to review Jeff Serra's application for construction of a house on Lot 6 and Scott confirmed notice of the hearing had been sent to all owners. Jeff explained plans for Lot 6 included a main house, guest house and barn and John confirmed the Board had reviewed the plans and were ready to approve them. As there were no additional questions the hearing closed and the meeting moved onto Board approval of the plans as submitted.

Scott Kelley explained Jeff would be recusing himself from the vote to approve the plans. John made a motion to approve the application for construction on Lot 6. Scott Nelson seconded the motion and it was unanimously approved.

Scott Nelson made a motion to approve the minutes of the November 21, 2019 meeting. John seconded the motion and it was unanimously approved.

John explained the Colorado Common Interest Ownership Act (CCIOA) required specific policies and the existing Conflicts of Interest Policy did not address some of the specifics outlined in the Statute. David Leinsdorf recommended leaving the Conflicts of Interest Policy as it was and had prepared a Policy and Procedure regarding Personal Interest Matters and that had been circulated to the Board for review. Scott Nelson made a motion to approve the Policy and Procedure regarding Personal Interest Matters as drafted. John seconded the motion and it was unanimously approved.

John said the Covenants addressed signage on individual lots but did not specifically address signs installed by the Association and David Leinsdorf had recommended adopting a Rule regarding signage. John explained the language for four signs to address floating on the river and use of the trail system. Jeff expressed concern about language regarding floating on the river and private property. After discussion the specific wording of some of the signs was amended and John made a motion to adopt the amended Rule regarding signage. Scott Nelson seconded the motion and the amended Rule was unanimously approved.

John explained the September 20, 2019 Written Consent Resolution incorrectly stated Section 6.4 of the Covenants would be amended and the signage rule discussed above had addressed that matter. John proposed the Resolution be amended to reflect just

one resolution and delete the paragraph beginning "It is resolved ...". John made a motion to amend the Written Consent Resolution as discussed. Jeff seconded the motion and it was unanimously approved.

John said David Leinsdorf had helped the Board work with the Nordic Center and the Town regarding the Nordic trail across Lot 5. John explained the reasoning behind locating the license agreement across Lot 5 and said a revocable agreement had been drafted to reflect the use of Lot 5 for the Nordic trail. John made a motion to approve the Revocable License Agreement, which was approved by the Town on February 18, 2020, and the Nordic Indemnification Agreement governing the Nordic trail across Lot 5. Scott Nelson seconded the motion and it was unanimously approved.

John made a motion to approve any future changes to the Serra plans for Lot 6 which reduced the square footage of the proposed buildings in order to meet the Town's requirements regarding connection to the Town sewer system so long as no other significant change was made. Scott Nelson seconded the motion and it was unanimously approved with Jeff abstaining from the vote.

Jeff gave background information regarding the replacement of the gate and a possible gate relocation working with Ryan and Wynn Martens who owned the adjacent open space and were active in rerouting the trail to the Rec Path Bridge instead of utilizing the McCormick Ranch Road. John explained the Martens would be responsible for one-eighth of the cost of the gate and the Martens had agreed that a written contract would be drafted to reflect the interests of the various entities. John said England Fence had provided a design and the Martens had requested a simpler design and John agreed to continue to work with England Fence regarding design. Jeff said the Martens had confirmed they would be restricting public access through their property on the road and public access would be through the north end of their property.

Jeff said he had encountered problems obtaining the Town sewage permit as the Town had a different way of calculating covered decks and measured square footage from the exterior walls instead of the County method of using the interior walls. Jeff explained the Town required owners to hook up to the Town sewer system so he did not have the option to install an individual septic system. Jeff said he would continue to work with the Town but if that failed one option might be to detach the garage from the house and connect with a 20 foot walkway and the second option might be legal action. Jeff said the covered decks and the method of measuring had a 25% impact on the total square footage. Jeff agreed to keep the Board updated as decisions might have an impact on future construction.

John made a motion to adjourn the meeting at 3:45 pm. Scott Nelson seconded the motion and it was unanimously approved.

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION SPECIAL OWNERS MEETING
318 ELK AVENUE, SUITE 24
MARCH 9, 2018 - 2:00 P.M.**

Present: John Mason
Wendy Fisher and Jim Fisher
Rob Harper, Toad Property Management

By Phone: Win Martin (owner of neighboring lot)
John Bailey
Doug Hosier

The meeting was called to order at 2:20 p.m. Rob explained the purpose of the meeting was to discuss paving the road and moving the gate and Rob introduced Win Martin, the owner of the adjoining property.

John Mason said he was interested in paving the road if the existing surface was stable as part of the road had an uneven soft surface. Rob explained Bill Lacy thought there was a sub grade issue which might solve itself or the section could be excavated and replaced for \$13,000 or if mesh was added to the existing surface the mesh would bind the surface for a cost of \$3,000. Rob said Bill recommended work on the ditches to reduce the pooling of water and that work was included in the original bid for paving the road.

Doug Hosier agreed the road was very muddy and said he was undecided about paving the road. Rob said he had spoken to Gunnison Savings & Loan and Community Banks and neither of them were interested in giving a loan to the association for a capital project. Rob explained paving the road would cost approximately \$45,000 per lot. John Bailey said he thought the paving would help property values and make the property more attractive to potential buyers.

Jim Fisher expressed concern about the existing drainage from the road and the potential for damage to asphalt in the future. Jim questioned the condition of the road and asked if Bill Lacy would provide a 5 year guarantee for the paving of the road.

Win and Ryan Martin said they were not interested in sharing the cost of paving the road from the cattle guard to the gate although they would not be opposed to having the road surface paved.

Rob explained moving the gate to the other cattle guard would make it easier and less expensive to hook up to electricity although there would be the cost of moving the gate which would be approximately \$30,000 to \$40,000. Rob said to hook the gate up to electricity at the existing location would cost approximately \$10,000.

After discussion there was not majority support to pave the road at the present time. John Bailey asked if any owner would be interested in loaning the association the funds to pave the road with owners making repayments. Jim suggested hiring an engineer to review the current condition of the road and Rob agreed to contact SGM in Gunnison to obtain an estimate for surveying the road.

As there was no new business the meeting adjourned.

Prepared by Rob Harper,
Toad Property Management

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION BOARD MEETING
318 ELK AVENUE, SUITE 24
TUESDAY, MARCH 19, 2019**

Present: John Mason
Courtney Burton, Wheelies and Waves
Rob Harper, Toad Property Management
Bill Lacy

By Phone: Scott Nelson
Jeff Serra

The meeting was called to order at 4:30 p.m. and Rob confirmed there was a quorum and introduced Courtney Burton of Wheelies and Waves, a local paddleboard company.

John made a motion to approve the minutes of the December 19, 2018 meeting. Jeff seconded the motion and it was unanimously approved.

Rob explained the purpose of the meeting was to discuss paddle boarding on the Slate River and the Slate River Working Group. Courtney explained the Slate River Working Group had been set up following an approach by the Crested Butte Land Trust due to the increase in paddle boarding on the Slate River. Courtney said the aim of the Working Group was to establish ways to protect wildlife and property owner rights and to educate users regarding respectful and save use of the Slate River. Courtney explained signage had been added to the Upper Slate River as a result of the formation of the Working Group.

Bill said he had attended a couple of the Slate River Working Group meetings which included an eclectic group of people providing useful information regarding preservation of the blue heron habitat, wildlife, water flow, acceptable use of the Slate River and property owner rights.

Jeff explained both of his lots (6 and 7) were on the river and impacted by the recent recreational use of the river but he had not been included in any discussion by the Slate River Working Group. Courtney explained prior meetings of the Working Group had focused on the Upper Slate River and today's meeting was the first to discuss the Lower Slate River.

Bill explained Section 3.15(I) of the McCormick Ranch Covenants prohibited any commercial use of the river easements and that section had been included in the Covenants to prohibit activities which might impact landowner's enjoyment of their property. Jeff said legal advice he had received stated the general public could also be prohibited from floating the Slate River and property owner rights would probably prevail in any court action due to a 1979 Court ruling and individuals using the river was his biggest concern as they might not have the education or respect that a commercial group might have and infractions by individuals would be more difficult to control.

Courtney said she wanted to attend the meeting to open communication with McCormick Ranch owners. Courtney left the meeting and Jeff said he would contact her when he had more information together.

Bill said keeping the fencing in place across the river to retain the cattle had been a problem for the past two years since paddle boarding started and enforcing any restriction on floating the river for both commercial operations and individuals would be difficult. Bill explained a general legal interpretation he had received said individuals or commercial operations could be given permission to float a river but if no permission was granted floating the river was a civil offense and became a criminal offense if the individual touched the bottom of the river bed or river bank. Jeff agreed enforcement would be difficult and enforcement was not something he wanted to be involved with as that would have a negative impact on his enjoyment of the property.

After discussion it was agreed Bill had authority from the Board to go to the Slate River Working Group and communicate the Board's position that permission would not be granted to commercial users to float the river through McCormick Ranch due to the Covenants, cattle grazing and preserving property rights and property value.

At 5:27 pm the meeting adjourned.

Prepared by Rob Harper,
Toad Property Management

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION BOARD MEETING
318 ELK AVENUE, SUITE 24
CRESTED BUTTE, COLORADO
WEDNESDAY, AUGUST 7, 2019**

Present: John Mason
Rob Harper, Toad Property Management

By Phone: Scott Nelson
Jeff Serra

The meeting was called to order at 11:09 a.m. and Rob confirmed there was a quorum.

John asked the minutes be amended to add the words "to commercial users" in the final paragraph. John made a motion to approve the minutes of the March 19, 2019 meeting as amended. Jeff seconded the motion and it was unanimously approved.

Jeff said he had installed a camera on his property last month and the recording had caught multiple violations of the Covenants, including fishing, paddle boarders, dogs and said the volume of the activity was surprising and disturbing. Jeff said there had not been any commercial groups using the Slate River although paddle boards were rented to individuals who did float the Slate River.

Jeff said he had been in contact with Ryan and Wynn Marten, owners of the 40 acre open space adjacent to McCormick Ranch and also 931 Belleview. Jeff explained the Marten's land had the bridge over the river for the Rec Path and he had worked with the Town to have the original Lot 6 easement released as the bridge had been relocated. Jeff said the amended plat just had a small easement on Lot 6 for the existing location of the trail. Jeff explained this amendment clarified the position that there was no access off the Rec Path to the Slate River and any access would be from the adjacent open space parcel.

Jeff explained the Martens had put forward a proposal to close down the path along the north side of Lots 6 and 7 which connects to McCormick Ranch Road because of wetlands and have a new route utilizing the alley behind 9th Street. Jeff said the proposal included moving the McCormick Ranch gate to the edge of Elk Avenue as access to the easement along the McCormick Ranch Road would be eliminated and all traffic redirected to a new link to Tony's Trail. Jeff said he would grant a small easement across a corner of his property to make it possible and the use of the McCormick Ranch Road would be restricted to owners and their guests.

Jeff confirmed the Town and the Crested Butte Mountain Bike Association would build and maintain any future fenced recreational trail. Jeff said McCormick Ranch owners and the Martens would share equally in the cost of relocating and replacing the gate. Rob said a new gate would cost approximately \$10,000 to \$12,000 and Jeff said the existing stone pedestals on the McCormick land could just be left in place and the gate removed.

Jeff said the Martens wanted to reduce their liability by having the trail redirected and the Town, through an easement for the trail and bridge would assume liability. Jeff said the

Town and the Crested Butte Mountain Bike Association supported the changes as it would reduce the policing and cluster the trails. Jeff explained the Aperture project intended to have an area where people could put into the water to float the Slate River. Jeff said he thought there might be an opening to work with the various entities and provide a compromise for controlled access to the Slate River.

Jeff explained the Town and the Martens had not yet reached final agreement as the Town would prefer to have more than 10 acres to give them the chance to store snow close to Town.

It was generally agreed the proposed collaborative approach sounded good in principle and Jeff said he would keep the Board updated on the progress.

Rob and Jeff said a local realtor had made contact asking if short term rentals were permitted in McCormick Ranch. It was agreed Section 3.3 of the Covenants had rental restrictions for a guest house and Rob said he would contact Marcus Lock for guidance on rental restrictions to maintain a neighbourhood feel.

John said the Crested Butte Nordic Center were considering changing the easement from Lot 3 to Lot 5 and using access through Moon Ridge. John said the Nordic Center would be meeting with Joe Knox of Moon Ridge to find out if Moon Ridge would support the proposed trail changes.

John said the Conflict of Interest Policy did not really address Board members voting on topics with a personal benefit and Rob agreed to speak to Marcus Lock regarding wording of the Policy.

Rob said he and Jeff had met with the Land Trust regarding signage and a sign had been installed in the river bed. It was agreed professional signs had been discussed and Rob agreed to follow up and find out who installed the sign yesterday.

At 12:13 pm the meeting adjourned.

Prepared by Rob Harper,
Toad Property Management

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION SPECIAL BOARD MEETING
318 ELK AVENUE, SUITE 24
SEPTEMBER 28, 2018 - 2:30 P.M.**

Present: John Mason
Rob Harper, Toad Property Management

By Phone: Scott Nelson

The meeting was called to order at 2:30 p.m. and Rob confirmed there was a quorum of the Board. Rob explained the purpose of the meeting was to establish officer positions.

John made a motion to approve the minutes of the March 9, 2018 meeting. Scott seconded the motion and it was unanimously approved.

John made a motion to appoint the officers as listed below. Scott seconded the motion and it was unanimously approved.

President	Doug Hosier
Vice President	Scott Nelson
Secretary / Treasurer	John Mason

Rob said Lacy Construction had promised the gate would be completed in October and Rob said Deanna Serra had recently sold her lot.

As there was no new business the meeting adjourned at 2:45 pm.

Prepared by Rob Harper,
Toad Property Management

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION OWNERS MEETING
318 ELK AVENUE, SUITE 24, CRESTED BUTTE
NOVEMBER 21, 2019**

Present: John Mason
Jim Fisher and Wendy Fisher
Rob Harper, Toad Property Management
Peggy Langewisch, Toad Property Management

By Phone: Scott Nelson
Jeff Serra

Proxy to Scott Nelson: Doug Hosier

The meeting was called to order at 11:06 a.m. Rob confirmed a quorum and said notice of the meeting had been mailed on November 4, 2019.

John made a motion to approve the December 19, 2018 minutes. Wendy seconded the motion and it was unanimously approved.

Rob said it had been an active year with work regarding paddle boards and floaters on the river, additional signage for trails, a new circuit board for the gate and construction plans approved for a barn on Jeff Serra's lot. Rob explained several entities had been involved in discussions regarding possible changes to the Nordic Trails.

Rob said changes had been made to the appearance of the financial report and the 2020 Budget was very similar to prior years. John made a motion to approve the 2020 Budget. Scott seconded the motion and it was unanimously approved.

Jeff explained the Martins, owners of the open space between McCormick Ranch and Verzuh Ranch, had been working with the Town and the Association to amend responsibility and access to the Rec Path Bridge and if approved the McCormick Ranch gate could be moved to the end of Elk Avenue and the rerouted trail would go through a portion of Lot 6 to connect to the McCormick Ranch Bridge. Jeff said the changes were still in the discussion stage and any reroute of the trail would not happen until the Fall of 2020 and would be a Town cost. If the McCormick Ranch gate was relocated and replaced the Martins would be responsible for 1/8th of the cost and it would result in less traffic on the first section of the McCormick Ranch Road.

Rob said the existing gate was still experiencing problems despite the change to an underground electrical source and the replacement of the control board. Rob confirmed a new gate would be an attractive swing gate instead of the current pivot style.

Jeff explained the Association had been working with the Slate River Working Group and the Crested Butte Land Trust regarding people floating the Slate River which had resulted in a reduction in the number of people floating the river through McCormick Ranch. Jeff said work would continue with the Town, the Land Trust and Aperture, the adjacent subdivision to monitor usage. Jeff explained additional use research would be gathered in 2020 at his expense and Jeff said he had hired Marcus Lock to advise him on legal use of the river. Jeff said the intention was to educate river users for future

floating on the river which would reduce problems for him and other McCormick owners. Jeff clarified he would be hiring a representative from the Land Trust to monitor usage and educate users of rules and etiquette.

Jeff said changes by the Crested Butte Fire Protection District would require future construction on McCormick Ranch to have water storage on each lot for fire prevention. Jeff explained a possible solution might be to install access to the pond on his Lot 6 so the fire truck could take water from the pond and use for all lots within the Ranch. Jeff said no costs were available at the present time and he would report back to all owners when more information was available. Jeff explained a water source would reduce the need for trucking water into the area to fight a fire and Jeff said the Fire Protection District supported the use of the pond on Lot 6 for fighting fire within the Ranch.

John explained for several years the Nordic Center had been using different trails from the trails shown on the plat and the approval was on a temporary basis. John said he had been working with the Nordic Center and a lot owner to reroute trails to provide a more scenic trail and also revise the timing of grooming the trails. John asked Rob to check with David Leinsdorf, the Association attorney, concerning progress on drafting a written agreement between the Town and the Association regarding a revocable easement from the bottom (southern part) of Lot 7 through Lot 5.

John said the Board had discussed signage and prepared a Resolution regarding the new signage and also discussed future amendments to the Covenants. Rob confirmed the new signage was similar to Land Trust signage.

Rob explained if changes were going to be made to the Covenants it would be best if all changes could be incorporated into one document as there was a process to be followed. It was agreed owners would be asked to review the Covenants and provide their comments regarding possible amendments and David Leinsdorf would be asked to prepare an Amendment to the Covenants for approval by owners and depending on the amendments the Town and the County might need to also give approval.

It was agreed the next annual meeting would be December 17, 2020.

Jeff made a motion to elect Scott to the Board for an additional three year term. Wendy seconded the motion and it was unanimously approved. John said the Board had been working well together on a lot of issues during the past year.

John made a motion to adjourn the meeting at 12:04 p.m. Wendy seconded the motion and it was unanimously approved.

Prepared by Rob Harper

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION BOARD MEETING
318 ELK AVENUE, SUITE 24
CRESTED BUTTE, COLORADO
THURSDAY, NOVEMBER 21, 2019**

Present: John Mason
Rob Harper, Toad Property Management
Peggy Langewisch, Toad Property Management

By Phone: Jeff Serra

The meeting was called to order at 12:05 a.m. and Rob confirmed there was a quorum.

Rob said he had not received a response from David Leinsdorf regarding the trail amendments with the Nordic Center and would continue to follow up. It was agreed David Leinsdorf would be asked to draft language for an amendment to the Covenants regarding signage and owners would be asked to submit their suggestions for preparation of Amended & Restated Covenants. The Board would review owner responses and pass those suggestions to David Leinsdorf for his input and additional amendments.

John said the Board had approved in writing the design of Jeff's barn and the relocation of the building envelope. Jeff said the County required a new wetlands delineation prior to approving his plans for the barn.

After a long discussion regarding the display of association documents, including minutes, on the website it was agreed Rob would email owners requesting their input regarding the displaying of minutes on a website available to the public.

John said the current Conflict of Interest Policy was inadequate according to current State Statute. It was agreed David Leinsdorf would be asked to update the Policy.

At 12:39 p.m. the meeting adjourned.

Prepared by Rob Harper,
Toad Property Management

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION OWNERS MEETING
318 ELK AVENUE, CRESTED BUTTE
DECEMBER 17, 2020
VIA ZOOM**

Present: John Mason
Wendy Fisher
Jeff Serra
Doug Hosier
Scott Nelson
Patti Bailey
Scott Kelley, Toad Property Management

The meeting was called to order at 11:00 a.m. Scott confirmed a quorum and said notice of the meeting had been mailed on November 13, 2020.

John made a motion to approve the November 21, 2019 minutes. Wendy seconded the motion and it was unanimously approved.

Scott Kelley confirmed a new 10 year Grazing Lease had been signed and a new gate would be installed in the Spring. Scott explained Gunnison Savings & Loan had closed their Crested Butte branch and the Association bank accounts had been moved to Community Banks of Colorado. Scott said beaver dams would be monitored during the Spring and action taken if necessary. Scott explained legal expenses were over budget.

John gave an update on activities during the past year. John explained an Agreement had been signed with the Town regarding a revocable Nordic easement and the changes appeared to be working well for people using the trails and the Nordic Center grooming. John explained the relocating and replacement of the gate was in partnership with the Martens, owners of the adjacent property. The Martens would be responsible for 1/8th of the cost and McCormick Ranch would probably need a special assessment to fund the balance. A rough estimate for the special assessment was \$2,000 per owner and to maintain the public easement it would be necessary to install a pedestrian gate and pathway.

Jeff explained the Martens had been attempting changes to easements on their property and discussions had been abandoned at the present time but the Martens would review the Boardwalk trail, through the wetlands, in the Summer. Jeff said some owners of property near the Rec Path bridge opposed any change as they were concerned about increased traffic and other issues. John said the Crested Butte News coverage had not accurately reflected all of the facts and John said he had written to the Town in an attempt to address those misrepresentations. Wynn Martens has agreed to keep the Association informed of progress. John explained the Town and the Martens would be sharing in the Association's legal costs so that our total legal expenses for the year would be reduced by approximately \$1,000 to be paid by the Martens for their share of David Leinsdorf's fees for the Verzuh-McCormick contract and by another \$1,000 to be paid by the Town for its share of David's fees for the Nordic Center-McCormick contract.

John explained a Personal Interest Matters Policy had been adopted and short term rentals regulations had been addressed.

Scott Kelley explained the draft 2021 Budget kept dues at the current level and had been approved by the Board. Patti moved to ratify the 2021 Budget as presented. Doug seconded the motion and it was unanimously approved.

Scott Kelley explained John was willing to continue on the Board for an additional three year term. It was unanimously agreed John Mason was appointed to the Board for a three year term.

During a short discussion regarding short term rental regulations Patti asked if a lot could be leased if there was no structure on the lot. Use of the vacant lot would be defined in the Covenants but it was agreed it might be necessary to add a sentence to prohibit leasing of a lot without a structure. John agreed to follow up with David Leinsdorf, the Association's legal counsel, for guidance.

Jeff said he had been involved with the Slate River Working Group regarding floating on the Slate River and two floating fences had been installed along the river.

Doug said a potential buyer had asked about the Association connecting to Town water. Doug explained it had been discussed in the past with the Town when the sewer line connection was agreed but dismissed. After discussion it was agreed Doug would reach out to gather more information and all owners would be involved in any future decisions regarding a connection to Town water.

A Board meeting would immediately follow the annual meeting and all owners were welcome to attend. John was thanked for the work he did on behalf of the Association.

At 11:57 am Jeff made a motion to adjourn the meeting. John seconded the motion and it was unanimously approved.

Prepared by Rob Harper,
Toad Property Management

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION BOARD MEETING
318 ELK AVENUE
CRESTED BUTTE, COLORADO
THURSDAY, DECEMBER 17, 2020
VIA ZOOM**

Present: John Mason
Jeff Serra
Scott Nelson
Scott Kelley, Toad Property Management

The meeting was called to order at 11:58 a.m. and Scott Kelley confirmed there was a quorum.

Minutes of the February 25, 2020 meeting were unanimously approved.

Jeff made a motion for the following appointments, Scott Nelson seconded the motion and it was unanimously approved:

President	John Mason
Vice President	Jeff Serra
Secretary/Treasurer	Scott Nelson

John made a motion to update the website within 30 days of adopting or amending policies or other Association Documents, as defined in Covenants Section 2.2, or within 30 days of the preparation of meeting minutes. John noted the Policy and Procedure Regarding Personal Interest Matters, approved by the Board on February 25, 2020, needs to be included in the Documents section of the website. Also, the September 20, 2019 Written Consent Resolution needs to be deleted from the Board Minutes section of the website and replaced by the amended version approved by the Board at its meeting on February 25, 2020. The 9-20-19 Written Consent Resolution needs to be removed from the Documents section of the website. Scott Nelson seconded the motion and it was unanimously approved.

John made a motion to adopt the following amended rule regarding Association signs and Jeff seconded the motion and it was unanimously approved:

In addition to the signs on Lots allowed by Covenants Section 6.4, the following signs are permitted: 1) a sign or signs, posted on or near the McCormick Ranch bridge over the Slate River, advising floaters that they are entering private property, that no take-out or exiting of the watercraft is allowed except for a portage around the fence at the southern boundary of McCormick Ranch, and that the next available take-out is at the Skyland Bridge; 2) a sign, posted at the portage around the fence across the Slate River at the southern boundary of Lot 7, advising that all portages shall remain within 15 feet of the Slate River; 3) signs on Lot 6 providing directions to and from Tony's Trail and admonishing pedestrians and bicyclists to stay on the road and not access the river, and 4) signs at the McCormick Ranch Road entrance to McCormick Ranch giving notice of private property and relevant rules.

It was agreed the signage rule would be amended and updated by the Board after receipt and review of a signage proposal.

After discussion John made a motion to amend the signage on the bridge to add the words "EXCEPT WHERE DESIGNATED" after the word "PORTAGE" and to add another sign at the southern end of Lot 7 (by the floating fence) to designate "PORTAGE ALLOWED AROUND THE FENCE, REMAIN WITHIN 15 FEET OF THE RIVER". Jeff seconded the motion and it was unanimously approved.

John made a motion to approve in principle the replacement of the cattle guard between the McCormick Ranch and the Verzuh Open Space to be paid for by the Town of Crested Butte subject to approval of a specific design by the McCormick Ranch Board. Scott Nelson seconded the motion and it was unanimously approved.

It was agreed the Board would wait for receipt of additional information regarding connection to Town water before discussing further.

John made a motion to accept the Covenant Amendment wording regarding short term rentals with the possible addition of a sentence, drafted by David Leinsdorf, prohibiting leasing of an undeveloped lot. David Leinsdorf would prepare the final document and Scott Kelley agreed to circulate the final wording to all owners for approval prior to obtaining the approvals of Gunnison County and the Town of Crested Butte, followed by the recording of the Amendment.

At 12:35 pm Jeff made a motion to adjourn the meeting. Scott Nelson seconded the motion and it was unanimously approved.

Prepared by Rob Harper,
Toad Property Management

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION OWNERS MEETING
318 ELK AVENUE, SUITE 24
DECEMBER 19, 2017**

Present: John Mason
Jim Fisher
Rob Harper, Toad Property Management

By Phone: John Bailey
Scott Nelson
Doug Hosier
Deanna Serra

Proxy: Jeff Serra (to Deanna Serra)

The meeting was called to order at 1:02 p.m. Rob confirmed a quorum and said notice of the meeting had been mailed on November 15, 2017.

Scott made a motion to approve the December 21, 2016 minutes. John Mason seconded the motion and it was unanimously approved.

Rob said after an email exchange the association had turned down the request from Sissy LaVigne to share a portion of the McCormick Ranch Road to provide access to two homesites LaVigne owned outside of McCormick Ranch. Rob explained LaVigne was unwilling to pay anything more than a portion of future road maintenance costs in return for the use of the existing road.

Rob said he had obtained two quotes to pave the McCormick Ranch Road.

SealCo had bid approximately \$535,000 for 3 inches of asphalt on top of 6 inches of road base on a 24 foot wide road from the gate to the cul-de-sac. An additional \$85,000 would include the road from the first cattle guard to the gate. Rob said he had reached out to the owners of that parcel of land to ask if they would be interested in sharing the cost but had not received a call back yet.

Lacy Construction had bid approximately \$315,000 from the gate to the cul-de-sac and was proposing just asphalt as Bill Lacy did not think the road required the additional road base.

Rob explained SealCo had given a price of \$214,000 to chip and seal the road surface from the gate to the cul-de-sac and Lacy Construction would not give a chip and seal price and did not recommend that surface.

After discussion it was agreed Rob would secure written bids from SealCo and Lacy Construction and check with the County Assessor and the Town to make sure there was no opposition to paving the road or potential impacts on the agricultural designation for the lots. Rob also agreed to speak to Gunnison Savings & Loan about possible financing options over a 5 year period. John Bailey suggested a special assessment of \$15,000 per lot, per year, for 5 years as a possible repayment plan to a lender. Rob also

agreed to speak to Bill Lacy regarding any financing option he would be willing to offer and to obtain more information on why Bill would not recommend chip and seal or the additional 6 inches of road base proposed by SealCo.

Rob said a quote of approximately \$5,000 had been received to run electrical power to the gate from the closest transformer and said that work should be completed prior to any paving.

Rob agreed to report back to owners by email with the additional information.

Rob said the gate had been operating well following the extensive work performed last year. Rob explained two local commercial paddleboard operations had been using the Slate River and the fence Bill Lacy installed to keep the cattle from roaming had been cut. Rob explained everything had been resolved after meetings and phone calls with the two commercial operators and the operators agreed they would only float through McCormick Ranch and would not stop and step onto the land except for walking around the cattle fence. Rob said he would speak with the commercial paddleboard operators again in the Spring to remind them of the rules.

Rob said weed mitigation was within budget and suggested hiring John Scott to do extensive spraying and less pulling as the cost would be similar.

Rob said due to the significant snow in December and January the snow removal costs were over budget and additional funds had to be spent on the Spring road maintenance. Rob explained the draft 2018 Budget proposed a dues increase as the average operating expenses during the past 10 years were approximately \$3,000 higher than income and in 2016 no dues had been collected which further reduced the reserve account. After discussion John Mason made a motion to approve the draft 2018 Budget with dues of \$3,500 per lot, per year. Jim Fisher seconded the motion and it was unanimously approved.

Rob explained John Mason was willing to join the Board and Scott said he was willing to continue on the Board. Jim made a motion to appoint John to the Board for a 3 year term and Scott for a 2 year term. Doug seconded the motion and it was unanimously approved.

As there was no new business Jim made a motion to adjourn. John seconded the motion and it was unanimously approved.

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION SPECIAL BOARD MEETING
318 ELK AVENUE, SUITE 24
DECEMBER 19, 2018 - 2:25 P.M.**

Present: John Mason
Jim Fisher
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

By Phone: Scott Nelson
Jeff Serra

The meeting was called to order at 2:25 p.m. and Rob confirmed there was a quorum with all Board members present.

John made a motion to approve the minutes of the September 28, 2018 meeting. Scott seconded the motion and it was unanimously approved.

John made a motion to appoint the officers as listed below. Jeff seconded the motion and it was unanimously approved.

President	Scott Nelson
Vice President	Jeff Serra
Secretary / Treasurer	John Mason

John said there had been an email exchange regarding the approval of the current location of the Nordic trails. It was agreed John would prepare a list of conditions regarding the use of the Nordic trails, the hours of grooming, annual approval of the location of the trails and no permanent amendment to the trails shown on the plat. Once Jeff and Scott had reviewed the list of conditions David Leinsdorf would be asked to produce a short document to present to the Crested Butte Nordic Council. Jeff agreed to share a copy of his Nordic trail easement which was prepared by David Leinsdorf in 2017.

Scott said in the past the Nordic Council had provided two season passes per lot plus some day passes for guests. It was agreed John would request family passes for each lot and also request the Nordic Council to cover legal expenses and any recording costs for the agreement.

Rob agreed to respond to the Crested Butte Mountain Bike Association and deny the request to connect trails to the Golf Course.

John made a motion to add signage to the bridge stating "Yield to Pedestrians" with the signs similar in style to the sign by the gate. Jeff seconded the motion and it was unanimously approved.

Rob confirmed Directors and Officers Insurance was included in the Association's existing insurance coverage.

John asked that no sound amplified devices be used for any events on the Ranch and that all items and materials be removed from the Ranch promptly at the end of each event. Rob agreed to continue to share any event requests with the Board and also alert the coordinating entity of the need to abide by the above requests.

At 2:56 pm Jeff made a motion to adjourn the meeting. John seconded the motion and it was unanimously approved.

Prepared by Rob Harper,
Toad Property Management

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION OWNERS MEETING
318 ELK AVENUE, SUITE 24
DECEMBER 19, 2018**

Present: John Mason
Jim Fisher
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

By Phone: John Bailey
Scott Nelson
Doug Hosier
Jeff Serra

The meeting was called to order at 2:03 p.m. Rob confirmed a quorum and said notice of the meeting had been mailed on November 13, 2018.

John Mason made a motion to approve the December 19, 2017 minutes. Doug seconded the motion and it was unanimously approved.

Rob said snow removal was under budget due to the light snow year and final expenses for the installation of electrical power to the gate had not been received but expenses were expected to be close to the \$5,000 estimate.

Rob said there had been a long email exchange regarding the request from David Ochs of the Crested Butte Mountain Bike Association to connect trails to the Golf Course. It was agreed Rob would email the Crested Butte Mountain Bike Association and explain the reasons why the Association would not agree to the connecting trails. Rob said the Board would be discussing the current location of the Nordic Trails at the Board meeting immediately following the Annual Meeting.

Jeff said Dan Murphy, Architect, was working on plans for Lot 6 and he would be submitting the plans for a house, three car garage and guest house to the Association for approval.

Rob said a couple of realtors had raised the question of Sissy LaVigne using the McCormick Ranch Road to gain access to her land adjacent to the Ranch but no new information was available to discuss.

Rob said people continued to use paddleboards on the river but there had been no complaints during the summer and people were generally following the rules.

John Mason said chamomile daisies had been sprayed along the edge of the road and Rob said due to the extensive weed management performed during 2017 it had not been necessary to spend as much on weed management during 2018.

Rob explained the expenses in the draft 2019 Budget were very similar to the 2018 Budget. John Mason made a motion to approve the draft 2019 Budget. John Bailey seconded the motion and it was unanimously approved.

Jeff volunteered to join the Board and Jim made a motion to elect Jeff to the Board for a three-year term. Doug seconded the motion and it was unanimously approved.

At 2:23 pm John Mason made a motion to adjourn the meeting. Jim seconded the motion and it was unanimously approved.

Prepared by Rob Harper

**MINUTES OF THE
McCORMICK RANCH ASSOCIATION
OWNERS MEETING
318 ELK AVENUE, SUITE 24
DECEMBER 22, 2015**

Present: Jeff Serra
Rob Harper, Toad Property Management

By Phone: Scott Nelson
Doug Hosier
Collin Sprau
Kathy Sprau

The meeting was called to order at 2:03 p.m. on Tuesday, December 22, 2015.

Rob said that the notice for the meeting had been sent to all owners on November 13th, 2015 and that 5 lots were represented at the meeting, which is a quorum.

Rob said that the minutes from the previous Annual Meeting of January 2, 2014 had been distributed with the notice. Kathy made a motion to approve the minutes, which was seconded by Jeff and approved unanimously.

Rob said that he purchased Toad from Gordon and Angela in April and that the transition has gone very well. He said that Angela was still working for Toad and that he had added Matt Schroeder as the manager of outside operations and Abby Loken to oversee the accounting. All of the other employees have remained which has added continuity to the transition.

Rob said that the gate has really been the only unexpected expense recently. Toad had to order a new 'board' for the electronics and that someone had crashed into the gate this spring causing damage which had been repaired. He then said that the \$10,000 line item for 'main line sewer' will need to remain in the budget for the eventual connection of Lot 1 to the sewer system. This will require a pump to be installed but will not be done until it is developed. Most of the other line items were under budget for the year. The road is in very good shape however there are some areas which could use some attention and it may be necessary to do some added road maintenance in the spring.

Rob said that he had been working with the Town to acquire documentation that the sewer system had been installed correctly and signed off as complete. He said that the Town has not been able to provide anything and that he has also contacted Williams Engineering in an effort to have some final documentation. As of this meeting, nothing had been provided but that Public Works Director Rodney Due said that he considers the project finished and that no documentation is necessary.

Collin asked if Rodney Due was leaving and had accepted a job at another municipality, this was not confirmed. Jeff said that for someone to build and connect to the system would only require the normal permitting process through the town which is correct. Rob said that the 2016 budget was almost identical to the 2015 budget and that the snow removal should be the only unknown.

Jeff made a motion to approve the 2016 budget which Collin seconded and it was approved unanimously.

Doug's term on the Board of Directors has expired and Rob said that he did not receive any written ballots in the mail and that there were no other volunteers. Jeff made a motion to elect Doug Hosier to another three-year term which was seconded by Colin and approved unanimously.

Rob said that there were 9 new governing documents mandated by the State of Colorado which need to be approved by the Board. These policies cover many of the existing rules and regulations which are already covered by the Declaration and Bylaws and do not change the operation of the Association. As President, Colin will sign these policies and they will be posted to the website. Kathy Sprau asked if Bill Lacy's contract to use the ranch for pasture will automatically renew which Rob said that it will.

As there was no new business the meeting adjourned at 2:19.

Prepared by Rob Harper

**RESOLUTION OF THE BOARD OF DIRECTORS OF MCCORMICK RANCH
ASSOCIATION, INC. REGARDING PROCEDURES FOR ADOPTION OF
POLICIES, PROCEDURES, RULES, REGULATIONS, OR GUIDELINES**

SUBJECT: Adoption of procedures to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter in the singular, a "**Policy**," and in the plural, "**Policies**") regarding the operation of the McCormick Ranch Association, Inc. (the "**Association**").

PURPOSE: To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association and to afford lot owners ("**Owners**") an opportunity to provide input and comments on such Policies prior to adoption.

AUTHORITY: McCormick Ranch Declaration ("**Declaration**"), and any other Governing Documents of the Association and Colorado Revised Statutes, 38-33.3-101 et seq. (the "**Act**").

EFFECTIVE DATE: December 22, 2015

RESOLUTION: The Association adopts the following procedures to be followed in adopting Policies of the Association:

1. **Scope.** The Board of Directors may, from time to time, adopt certain Policies as may be necessary or appropriate to facilitate the effective and efficient operation of the Association, including, but not limited to, the clarification of ambiguous provisions in the Governing Documents and other documents, to provide for effective communication and procedures regarding the operation of the Association, or as may be required by the Act.

2. **Procedures to Adopt Policies.** In order to encourage Owners participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board of Directors will follow the following procedures when adopting any Policy.

(a) **Drafting Procedure.** The Board of Directors will consider the following in drafting any Policy:

(i) whether the Governing Documents or Colorado law grants authority or requires the Board of Directors to adopt such a Policy;

(ii) the need for such Policy based upon the scope and importance of the issue and whether the Governing Documents adequately address the issue; and

(iii) the immediate and long-term impact and implications of the Policy.

(b) **Notice and Comment.** A copy of the proposed Policy will be provided to all Owners electronically and posted on the Association's website and Owners will be allowed 30 days to provide comment and/or feedback on the proposed Policy. The Board of Directors is not required, however, to include any comments that it receives, but will consider such comments, nor is the adoption or content of any such Policy required to be approved by any of the Owners.

(c) **Emergency.** The Board of Directors may forego the notice and opportunity to comment in the event the Board of Directors determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy; or if the policy is necessary for the Board of Directors to carry out its functions prior to the expiration of the notice and comment period.

(d) **Adoption Procedure.** After the period of Owners comment expires, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board of Directors that complies with the requirements of Colorado law.

(e) **Policy Book.** The Board of Directors, or the manager of the Association, will keep copies of any and all adopted Policies as records, which will be kept at the Association's principal place of business or with the manager of the Association, as applicable.

3. **Inconsistencies.** If and to the extent that any provision of these Policies is inconsistent with the Declaration or the Act, the applicable provisions of the Declaration or the Act prevail, unless otherwise required by applicable law.

4. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

5. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the Act.

6. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of the Association, at a duly called and held meeting of the Board of the Association on December 22, 2015 and in witness thereof, the undersigned has subscribed his/her name.

MCCORMICK RANCH ASSOCIATION, INC., a Colorado non-profit corporation

By: *Collin Sprau*
Name: Collin Sprau
Title: President

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ARTICLES OF INCORPORATION

OF

THE MCCORMICK RANCH ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned in order to establish a non-profit corporation pursuant to the Colorado Non-Profit Corporation Act hereby certifies:

ARTICLE I.

Name of Corporation

The name of the corporation shall be:

THE MCCORMICK RANCH ASSOCIATION, INC.

ARTICLE II.

Period of Duration

The corporation shall have perpetual existence, unless dissolved according to law.

ARTICLE III.

Purposes

The corporation is established not for profit and its objects and purposes for which the corporation is organized and the nature of the business to be conducted by it shall be:

1. To constitute the Association to which reference is made in the Declaration of Protective Covenants of The McCormick Ranch.

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2. To be the Association for the Common Interest Community of The McCormick Ranch in accordance with the Colorado Common Interest Ownership Act and the Colorado Nonprofit Corporation Act, as they now exist and as they may hereafter be amended from time to time.

3. To exercise all powers and to administer, manage, and govern The McCormick Ranch governed by the Declaration of Protective Covenants, including all powers granted to the Association under the Declaration of Protective Covenants.

4. To own, administer and maintain all common areas, for the use and benefit of all lot owners within The McCormick Ranch.

5. To own, administer and maintain personal property for the use and benefit of all lot owners within The McCormick Ranch.

ARTICLE IV.

Powers

This nonprofit corporation shall have and may exercise all powers conferred upon a nonprofit corporation under the Colorado Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as they now exist and as they may hereafter be amended from time to time.

ARTICLE V.

Membership

This nonprofit corporation shall have members and the membership shall be constituted as follows:

1. **Members.** The owner of a lot in The McCormick Ranch, upon becoming owner, shall be entitled and required to be a member of the corporation and shall remain a member of the corporation for the period of ownership of the lot.

2. **Appurtenant Right.** Such membership shall be an appurtenant right of the ownership of a lot, shall run with title to the lot, and shall automatically be transferred to any subsequent owner of the lot upon the recording of any deed or conveyance thereof to a subsequent owner.

3. **Terms and Conditions.** The terms and conditions of membership in the Corporation shall be as set forth in these Articles of Incorporation, the Bylaws of the Corporation and the Declaration of Protective Covenants.

4. There shall be one class of members.

5. The corporation may issue a certificate evidencing membership therein.

ARTICLE VI.

Board of Directors

1. **Directors.** The business and affairs of the corporation shall be managed by a board of directors, also known as an executive board under the Colorado Common Interest Ownership Act.

2. **Qualifications of Directors.** All directors shall be members of the corporation.

3. **Number of Directors.** The initial Board of Directors shall consist of three people, whose term of office and the manner of their election shall be set forth in the Bylaws of the corporation. The size of the Board of Directors may be increased up to 7 directors by resolution of the Board of Directors.

4. **Initial Board of Directors.** The initial people comprising the Board of Directors of the corporation and their names and addresses are as follows:

Name	Address
Billy Joe Lacy	P.O. Box 836, Crested Butte, CO 81224
Daniel Dow	10713 Sun Tree Cove, Austin, TX 78730
David Dow	10713 Sun Tree Cove, Austin, TX 78730

5. **Rights of Declarant.** Notwithstanding any other provision of these Articles of Incorporation, Verzuh Ranch, Inc. as the Declarant of the Common Interest Community known as The McCormick Ranch, its successors and assigns, shall have the right to appoint the members of the Board of Directors during the period of declarant control. The period of declarant control shall terminate no later than the earlier of (1) 60 days after the conveyance of 75% of the lots within The McCormick Ranch to owners other than the Declarant or (2) 2 years after Declarant has last conveyed a lot within The McCormick Ranch in the ordinary course of business. Further, not later than 60 days after the conveyance of 25% of the lots to owners other than Declarant, at least one member and not less than 25% of the members of the Board of Directors shall be elected by the owners other than Declarant and not later than 60 days after the conveyance of 50% of the lots to owners other than Declarant, not less than 1/3 of the members of the Board of Directors must be elected by the lot owners other than Declarant.

ARTICLE VII.

Indemnification

The corporation shall indemnify the officers and directors of the corporation to the full extent permitted by the statutes of the State of Colorado.

ARTICLE VIII.

Limitation of Liability

1. **Non Liability of Director.** The personal liability of a director to the Corporation or its members for monetary damages for breach of a fiduciary duty as a director or officer is limited to the full extent provided by the statutes of the State of Colorado.

2. **Liability for Willful or Wanton Acts.** Directors shall not be liable for actions taken or omissions made in the performance of corporate duties except for wanton and willful acts or omissions.

ARTICLE IX.

Bylaws

The initial Bylaws of the corporation shall be adopted by the Board of Directors. The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors.

ARTICLE X.

Registered Office and Registered Agent

1. **Address and name of Office of Agent.** The address of the initial registered office of the corporation is:

215 Elk Avenue, Suite 300
Crested Butte, Colorado 81224-0187

and the name of its initial registered agent at such address is:

David Leinsdorf

2. **Change of Office or Agent.** Either the registered office or the registered agent may be changed at any time in the manner provided by law.

3. **Initial Office.** The address of the initial principal office of the corporation is 24474 Highway 135, Crested Butte, Colorado 81224-0836.

ARTICLE XI

Distribution of Assets on Dissolution

Upon dissolution of the corporation, its assets shall be applied and distributed as follows:

1. First to pay and discharge all liabilities and obligations of the corporation.

3. All remaining assets of the corporation shall be distributed to its members.

Incorporator

Address

215 Elk Avenue, P.O. Box 187
Crested Butte, Colorado 81224

David Leinsdorf
David Leinsdorf, Incorporator and
Registered Agent

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

Witness my hand and official seal. My commission expires:

Christina Lombardi
Notary Public

BYLAWS
OF
THE MCCORMICK RANCH ASSOCIATION, INC.

These bylaws are based in part upon provisions of the Colorado Nonprofit Corporation Act (the "Code") and provisions of the Articles of Incorporation of the Corporation which are in effect when these bylaws are adopted. To the extent that any inconsistency exists as the result of subsequent amendments to the Code or the Articles of Incorporation or otherwise, the provisions of the Code or the Articles of Incorporation shall prevail over these bylaws. In using these bylaws, references also should be made to the then current provisions of the Code and the Articles of Incorporation.

ARTICLE I

Offices and Corporate Seal

Section 1.1 Principal Office. The principal office and place of operations of the Corporation in the State of Colorado shall be at 24474 Highway 135, Crested Butte, CO 81224-0836 or at such other location as the board of directors may determine.

Section 1.2 Registered Office. The Corporation shall have and continuously maintain in the State of Colorado a registered office, which may be the same as its principal office, and a registered agent whose business office is identical with such registered office.

Section 1.3 Corporate Seal. The seal of the Corporation shall bear the name of the Corporation and the words "Colorado" and "Seal", and shall be in a form approved by the Board. The seal may be used by causing it or a facsimile to be impressed, affixed, manually reproduced or rubber stamped with indelible ink upon any document.

ARTICLE II

Board of Directors and Committees

Section 2.1 Directors. The operations and affairs of the Corporation shall be managed by a board of at least three but not more than seven, or more, directors as set forth in the Articles of Incorporation. Each director shall be a natural person of at least eighteen years of age, but need not be a resident of the State of Colorado. The directors shall be elected or appointed at the annual meeting of directors or some adjournment thereof. Unless a director has resigned, died or become disabled or incapacitated, the directors shall hold office for staggered terms of three years each or until such person's successor has been elected and qualified; however, no provision of this section shall restrict the right of the board of directors to fill vacancies as provided elsewhere in this Article II.

Section 2.2 Committees. The board may designate from among its members, by resolution adopted by a majority of the full board of directors, one or more committees, each of which shall have and may exercise such authority in management of the Corporation as provided in such resolution; provided, however, that such authority shall be no greater than that permitted by the Articles, these bylaws and the Colorado Nonprofit Corporation Act.

Section 2.3 Meetings. A regular meeting of the board of directors for the purposes of electing officers and conducting any other business shall be held at a place chosen by the board of directors, and notice of this meeting need not be given. The board of directors, or any committee designated by the board, may by resolution establish a time and place for additional regular meetings which thereafter may be held without giving notice. Special meetings of the board of directors, or any committee designated by the board, may be called by the president or any two directors, or any one member of a committee and notice of such meeting must be given as provided in Section 4.

Section 2.4 Notice of Meetings. Whenever notice is required to be given for a meeting of the board of directors or any committee designated by the board, the notice shall be given to each director, or to each member of the committee, shall state the time and place of the meeting and shall be either (1) mailed to the last-known address of each director, or member of the committee, at least five days before the date fixed for the meeting or (2) delivered in person, in writing or by telephone, telegraph or other means of transmission of voice communications or plain language document copy, at

least forty-eight hours before the time fixed for the meeting. Unless required by law, neither the business to be transacted at nor the purpose of any meeting of the board of directors or any committee designated by the board need be specified in the notice or waiver of notice by any meeting.

Section 2.5 Attendance by Telephone. Directors may participate in any meeting of the board of directors or any meeting of a committee designated by the board of directors by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 2.6 Waiver. A waiver of notice signed by a director, whether before, at, or after a meeting of the board of directors or of any committee designated by the board of directors, shall be equivalent to the giving of notice to that director. By attending or participating in a special meeting a director waives any required notice of such meeting, unless the director, at the beginning of the meeting, expressly objects to the holding of the meeting or the transaction of business at the meeting on the grounds that the meeting has not been lawfully called.

Section 2.7 Quorum. A quorum at any meeting of the board of directors shall consist of a majority of directors, but a smaller number may adjourn a meeting without further notice until a quorum is present. A quorum at any meeting of any committee shall consist of a majority of members of the committee. The actions approved by a majority of the directors or committee members present at a meeting at which a quorum exists shall be the actions of the board of directors or committee, unless the approval of a greater number is required by law, the Articles of Incorporation or in the case of a committee any resolution of the board of directors establishing the procedures for the committee.

Section 2.8 Action Without a Meeting. Any action required to or which may be taken at a meeting of the board of directors, or any committee designated by the board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or committee members entitled to vote with respect to the proposed action. Such consent may be executed in counterparts and shall be effective when the last signature is obtained.

Section 2.9 Removal and Resignation. The entire board of directors or any lesser number may be removed, with or without cause, by a vote of a majority of the board of directors. Any director may resign at any time by giving written notice to the president or secretary, and acceptance of such resignation shall not be necessary to make it effective unless such notice so provides.

Section 2.10 Vacancies. Any vacancy occurring in the board of directors shall be filled and the term of appointment shall be determined pursuant to the provisions of the Colorado Nonprofit Corporation Act.

Section 2.11 Compensation. Directors may not receive fees for attendance at meetings of the board of directors or at meetings of any committee designated by the board of directors. Directors may be reimbursed for travel and other expenses reasonably incurred for attendance at such meetings and in discharging their duties as directors.

ARTICLE III

Officers

Section 3.1 Number and Election. The officers of the Corporation shall consist of a president, a vice president, a secretary and a treasurer, each of whom shall be elected by the board of directors. In addition, the board of directors may elect or appoint one or more vice presidents, one or more assistant secretaries or assistant treasurers and such other subordinate officers as deemed necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined by the board of directors or the president. Any two or more offices may be held by the same person, except the offices of president and secretary. The officers of the Corporation shall be natural persons of the age of eighteen years or older.

Section 3.2 President. The president shall be the chief executive officer of the Corporation and shall preside at all meetings of the board of directors. Subject to the direction and control of the board of directors, the president shall have general and active management responsibility for the business of the Corporation and shall see that all orders and resolutions of the board of directors are effectuated. The president may execute all instruments on behalf of the Corporation and shall perform such additional functions as are

appropriate and customary for the office of president or as the board of directors may prescribe.

Section 3.3 Vice President. The vice president or vice presidents in the order determined by the board of directors, shall be the officer(s) next in seniority after the president. Each vice president shall perform such duties and exercise such powers as are prescribed by the board of directors or the president. Upon the death, absence or disability of the president, the vice president or vice presidents, in the order determined by the board of directors, shall perform the duties and exercise the powers of the president.

Section 3.4 Secretary. The Secretary shall give, or cause to be given, notice of meetings of the board of directors and any committees designated by the board of directors; keep the minutes of such meetings unless otherwise instructed by the board of directors or a particular committee; have charge of the corporate seal and stock transfer books; be responsible for the maintenance of all corporate records and files and the preparation and filing of reports to government agencies (other than tax returns), have authority to affix the corporate seal to any instrument requiring it (and, when so affixed, to attest to its authenticity by signature) and perform such other functions and duties as the board of directors or the president may prescribe.

Section 3.5 Assistant Secretary. The assistant secretary or assistant secretaries in the order determined by the board of directors or the president, shall, under the supervision of the secretary, perform such duties and have such powers as may be prescribed by the board of directors, the president or secretary. Upon the death, absence or disability of the secretary, the assistant secretary or assistant secretaries, in the order determined by the board of directors or the president, shall perform the duties and exercise the powers of the secretary.

Section 3.6 Treasurer. The treasurer, subject to the order of the board of directors, shall have control of the funds of the corporation and shall be responsible for the preparation and filing of tax returns, financial reports and statements of condition. The treasurer shall keep full and accurate records of the receipts and disbursements of the funds of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as shall be designated by the board of directors. The treasurer shall perform such other duties and have such other powers as the board of directors or the president may prescribe.

Section 3.7 Assistant Treasurer. The assistant treasurer or assistant treasurers in the order determined by the board of directors or the president, shall, under the supervision of the treasurer, perform such duties and have such powers as the board of directors, the president or the treasurer may prescribe. Upon the death, absence or disability of the treasurer, the assistant treasurer or assistant treasurers, in the order determined by the board of directors or the president, shall perform the duties and exercise the power of the treasurer.

Section 3.8 Removal, Resignation and Vacancies. Any officer elected or appointed by the board of directors may be removed from office at any time by the board of directors. Any officer appointed by the president may be removed at any time by the board of directors or the president. Any officer may resign at any time by giving written notice of the resignation to the president or the secretary, and acceptance of such resignation shall not be necessary to make it effective unless such notice so provides. Any vacancy occurring in any office of the Corporation may be filled by the board of directors.

Section 3.9 Compensation. Officers shall receive such compensation for their services as may be authorized by the board of directors or by any committee or other officers with delegated authority. Election or appointment of an officer shall not of itself create a contract right to compensation for services performed as such officer.

ARTICLE IV

Membership

Section 4.1 Members. The Corporation shall have one class of members. The terms and conditions of membership are set forth in the Declaration of Protective Covenants of The McCormick Ranch. The Corporation shall keep at its registered office or principal office, a record of the name and addresses of its members.

ARTICLE V

Finance

Section 5.1 Bank Deposits; Notes; Commercial Paper. The moneys of the Corporation shall be deposited in the name of the Corporation in such bank

or banks or trust company or trust companies as the board of directors shall designate, and may be drawn out only on checks signed in the name of the Corporation by such person or persons as the board of directors shall direct. Notes and commercial paper, when authorized by the board of directors, shall be signed in the name of the Corporation by such person or persons authorized by the board of directors.

Section 5.2 Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board.

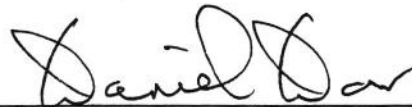
ARTICLE VI

Amendments

These bylaws may be altered, amended or repealed at the annual meeting of the board of directors or at any special meeting of the board of directors called for that purpose, subject to the provisions of the Colorado Nonprofit Corporation Act.

These bylaws are approved by the board of directors on

July 15, 1999.



Daniel Dow, Secretary

MCCORMICK RANCH ASSOCIATION, INC. POLICY AND PROCEDURE REGARDING CONFLICTS OF INTEREST

Effective: December 22, 2015

The following Policy and Procedure has been adopted by the Executive Board (“Board”) of McCormick Ranch Association, Inc. (“Association”) pursuant to Colorado statutes, regarding the conflicts of interest by members of the Board (“Board Members”).

I. Conflicting Interest Transaction

A. Definitions.

- (1) Conflicting Interest Transaction. A contract, a transaction or other financial relationship:
 - (a) between the Association and a Board Member; or
 - (b) between the Association and a party related to a Board Member; or
 - (c) between the Association and an entity in which a Board Member is also a director or officer or has a financial interest.
- (2) Officer. Any person designated as an officer of the Association and any person to whom the Board delegates responsibilities under the Colorado Common Interest Ownership Act (“CCIOA”) including a managing agent, attorney or accountant employed by the Board.

B. Dealing with a Conflicting Interest Transaction.

- (1) No Conflicting Interest Transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an owner/member of the Association or by or in the right of the Association as a nonprofit corporation, solely because the Conflicting Interest Transaction involves a Board Member or a party related to a Board Member or an entity in which a Board Member of the Association is a director or officer or has a financial interest.
- (2) No Board Member shall participate in any decision regarding a Conflicting Interest Transaction in which he or she has a conflicting interest.
- (3) Every Conflicting Interest Transaction shall be fair to the Association.

- (4) Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes, approves or ratifies the Conflicting Interest Transaction.
- (5) For purposes of this Policy, a party related to a Board Member shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board Member or a party related to the Board Member has a beneficial interest, or an entity in which a party related to the Board Member is a director, officer, or has a financial interest.

II. **Loans Prohibited.**

No loans shall be made by the Association to any Board Member or Officer. Any Board Member or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing policy and procedure was approved and adopted by the Executive Board of the Association, at a duly convened meeting, open to the members to attend, on December 22, 2015.

MCCORMICK RANCH ASSOCIATION, INC., a Colorado non-profit corporation

By: *Collin Sprau*
Name: Collin Sprau
Title: President



DECLARATION OF PROTECTIVE COVENANTS
OF
THE McCORMICK RANCH

THIS DECLARATION AND AGREEMENT is executed the 7th day of August, 2000, with an effective date of August 7, 2000, by Verzuh Ranch, Inc., a Colorado corporation, hereafter termed "Declarant".

ARTICLE 1.

STATEMENT OF PURPOSE OF DECLARATION

Section 1.1 Ownership of Property. Declarant is the owner of real property located in the West Half of the Northwest Quarter (W½NW¼) of Section 1 and the Northeast Quarter (NE¼) of Section 2, Township 14 South, Range 86 West, 6th Principal Meridian, County of Gunnison, State of Colorado more particularly described on attached **Exhibit A** ("Property").

Section 1.2 Declaration of Covenants. Declarant hereby makes, declares and establishes the following covenants, restrictions and easements which shall affect the Property. This Declaration of Protective Covenants shall run with the Property and shall be binding upon all persons and entities having any right, title or interest in and to the Property or any Lots, tracts or parts thereof, their heirs, successors and assigns and their tenants, employees, guests and invitees and shall inure to and be for the benefit of each Owner of a Lot within the Property.

Section 1.3 Statement of Purpose. This Declaration of Protective Covenants is imposed for the benefit of all Owners and future owners of Lots, parcels and areas located within the Property and to provide for the preservation of values of the Property and to provide and to establish the covenants, easements, restrictions, assessments and liens hereafter set forth, all of which are for the benefit of the Owners of Lots.

Section 1.4 Enlargement of Property. Declarant hereby reserves the right to enlarge the Property by the addition of additional real property owned by Declarant or by any other person, by the recording in the records of Gunnison County, Colorado of a certificate or certificates setting forth the legal description or descriptions of the real property so added to the Property together with a plat of such additional Property. Such certificate may be incorporated into the plat of such additional Property. Such certificate may also set forth any specific provisions that pertain only to the additional real property. The recording of the certificate or certificates shall subject the Property, as so enlarged, to all of the terms and conditions of these Protective Covenants, except only as may be modified by such certificate or certificates. The number of McCormick Ranch Lots shall not exceed nine (9).

Section 1.5 Common Interest Community. Declarant further declares the Property to be a Planned Community under the Colorado Common Interest Ownership Act.



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ARTICLE 2.

DEFINITIONS

The following terms and words shall have the following definitions:

Section 2.1 "Association" shall mean the McCormick Ranch Association, Inc., a Colorado non-profit corporation, or any successor thereof charged with the duties and obligations set forth herein.

Section 2.2 "Association Documents" shall mean this Declaration of Protective Covenants, the Plat, the Articles of Incorporation and Bylaws of the Association, any amendments thereto, and any future design guidelines, rules and regulations or policies adopted by the Association.

Section 2.3 "Assessments" shall mean annual, periodic, special or default assessments levied pursuant to this Declaration to provide the funds required to meet the obligations of the Association.

Section 2.4 "Barn" shall mean an accessory building designed to enclose livestock and to store agricultural products, feed, supplies and agricultural and livestock equipment and property and any incidental use associated therewith.

Section 2.5 "Board of Directors" or "Board" shall mean the Board of Directors of the Association duly elected and acting according to the Articles of Incorporation and Bylaws of the Association.

Section 2.6 "Building" shall mean a building or structure, or any similar type of improvement situate and located on a lot or parcel of land within the Property.

Section 2.7 "Building Site" shall mean the envelope or area within a Lot where a Building or other improvement shall be located, always subject to the prior written approval of the Board of Directors. Fences and corrals enclosing up to one (1) acre on each Lot and a well and/or individual sewage disposal system may be constructed outside of the Building Site upon approval by the Board. The Board shall have the right to modify the size and shape of the Building Site in the general location shown on the Plat. The location of a Building Site constitutes no warranty or assurance that the Building Site contains potable water or is free of building constraints. A public trail or easement may abut or traverse a Building Site.

Section 2.8 "Common Area" shall mean all real property in which the Association owns any interest or has a leasehold interest for the common use and enjoyment of its members, as designated on the recorded plat. Such interest may include, without limitation, estates in fee, estates for a term of years, leasehold estates, or easements. Each and every Common Area may have a restricted use or enjoyment and may be designated for a specific use for such Common Area.

Section 2.9 "Family Residence" shall mean the primary residence on any Lot designed for occupancy by the owner of the Lot.

Section 2.10 "Garage" shall mean an accessory building or an accessory portion of a residence designed for the storage of one or more motor vehicles.

Section 2.11 "Guest House" shall mean a separate residence, either attached or detached from the family residence, designed for occupancy either by the owner of the Lot or the owner's guests or caretaker.

Section 2.12 "Improvement" shall mean all buildings, structures, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, ponds, lakes, recreational facilities, signs, decks, enclosures, changes in exterior color or shape, excavation, and all other site work including without limitation grading, road construction, utility improvements, removal of trees or plantings, and any new exterior construction or exterior improvement constructed or completed on the Property.

Section 2.13 "Lot" shall mean a Lot as shown on the Plat of The McCormick Ranch and any subsequent Plat, but not including common areas. The McCormick Ranch shall have no less than seven (7) and no more than nine (9) Lots.

Section 2.14 "Maintenance Fund" shall mean the fund created by assessments and fees levied pursuant to this Declaration to provide the Association with funds it requires to carry out its duties hereunder.

Section 2.15 "Member" shall mean any person holding membership in the Association whose land is subject to all of the terms and provisions of this Declaration.

Section 2.16 "Mortgage" shall mean any mortgage, deed of trust or other document pledging a Lot or interest therein as security for the payment of any indebtedness. "First Mortgage" shall mean any mortgage which is not subject to or junior to any lien or encumbrance, except liens for taxes and other liens which are given priority by statute.

Section 2.17 "Open Space" shall mean all of the Property except for the Building Sites, driveways, trails and easements shown on the Plat or provided for in this Declaration.

Section 2.18 "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot; provided, however, that prior to the first conveyance of any Lot for value after this declaration, the Owner shall mean the Declarant.

Section 2.19 "Plat" shall mean the plat of The McCormick Ranch and all subsequent plats as filed in the records of Gunnison County, Colorado, which are subject to these Protective Covenants, and as the same may be amended, enlarged or revised from time to time and affecting the Property.

Section 2.20 "Property" shall mean and include all of the Property subject to this Declaration.

Section 2.21 "Verzuh Ranch Annexation" shall mean approximately 79.28 acres of land contiguous to the west boundary of The McCormick Ranch 79.280 acres of which has been annexed to the Town of Crested Butte, the plat for which is being recorded in the Gunnison County records contemporaneously with the Plat of The McCormick Ranch.

ARTICLE 3.

USE OF LOTS

Section 3.1 Residential Use.

A. All Lots shall be used exclusively for residential purposes. Each Lot shall have no more than one Family Residence, one attached or detached Guest House, one attached or detached Garage and one Barn. Such Family Residence, Guest House, Garage and Barn shall be contained in no more than three (3) buildings. No additional Buildings shall be permitted. No more than one water well shall be installed on any Lot. No time-sharing shall be allowed.

B. The Gunnison County Land Use Resolution may be amended to require a Land Use Change Permit to construct a Family Residence and/or other Improvements on a Lot.

Section 3.2 Building Site. The main Family Residence and other Improvements shall be located substantially within the Building Site. Notwithstanding any other provision in this Declaration to the contrary, to minimize impact on wetlands or avoid building constraints, the Board shall have the discretion to allow:

A. The well and/or individual sewage disposal system to be located within or outside of the Building Site; and

B. An insubstantial portion of the main Family Residence and other Improvements to be located outside of the Building Site.

Section 3.3 Guest House.

A. One Guest House, either attached or detached from the Family Residence, and containing not more than 1,500 square feet of gross residential floor area (GRFA), shall be allowed on each Lot.

B. The Guest House shall at all times be owned by the Owner of the Family Residence and the Lot upon which it is situate and neither the Guest House nor the Family Residence shall be leased separate and apart from a rental or lease of the entire Lot or commercially rented, except that the Guest House may be rented to a caretaker of the Family Residence and Lot. At no time shall a Guest House be used as the primary residence of a person or family other than the Owner of the Lot and the family of the Owner or a caretaker and the family of a caretaker employed by the Owner of the Lot.

C. Any detached Guest House shall only be served by and connected to the same water and sanitation facilities designed for and serving the Family Residence on the Lot and access to the Guest House shall only be by the same access driveway as provides access to the Family Residence.

D. The Gunnison County Land Use Resolution requires a Land Use Change Permit to construct a Guest House upon any Lot, which may or may not be approved.

Section 3.4 Barn. One barn with an appropriately fenced corral or corrals shall be allowed on each Lot. All barns throughout the Property shall have uniform exterior siding and color as approved by the Board. All corrals throughout the Property shall be constructed of wood or other materials approved by the Board in a uniform style as approved by the Board. No wire fences shall be allowed, except on the perimeter of the Property.

Section 3.5 Approval of Use. No Improvement shall be constructed on any Lot except only as approved by the Board.

Section 3.6 No Commercial Use. No commercial or business enterprise of any nature shall be allowed or permitted on any Lot or Common Area; provided, however, that the Owner of the Lot may be permitted to rent or lease the Family Residence and/or Guest House (subject to the restrictions set forth in Section 3.3) and to conduct a home occupation, artistic or literary activity on any Lot upon the prior approval by the Board as to such occupation or activity. No such home occupation or artistic or literary activity shall diminish the residential character of the subdivision. No home occupation involving client or customer visits to a Lot shall be allowed.

Section 3.7 Snowmobiles. Snowmobiles, snowcats, snowtractors or other similar motorized vehicles for travel over snow shall not be allowed, maintained or operated upon the Property except only between 7 A.M. and 10 P.M. for the following purposes:

- A. To set and maintain cross country ski courses on designated trails shown on the Plat.
- B. For access to and from a residence during the winter months, not for use on a Lot (except on a driveway for access).
- C. To access an area off the Property where snowmobiles are permitted.

Section 3.8 Motorcycles and All Terrain Vehicles. Motorcycles, all terrain vehicles and other similar or noisy vehicles shall be used only between 7 A.M. and 10 P.M.:

- A. For access to and from a residence.
- B. On roads, not on Lots (except on driveways for access).



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Section 3.9 Parking. All motor vehicle parking shall be in designated parking areas approved by the Board. Tractors, snowmobiles, motorcycles, recreational vehicles, trailers and other similar vehicles shall be parked and/or stored within a fully enclosed garage at all times.

Section 3.10 Rules and Regulations. The Board shall have the authority to promulgate and enforce Rules and Regulations and/or design guidelines regarding the Property and its use on condition that such rules and regulations and/or design guidelines are not inconsistent with this Declaration.

Section 3.11 Obstructions to Slate River. The Association and Owners shall not place or allow to be placed any obstructions to floating on the Slate River, except for fences to control cattle. The public shall have the right to portage around the fence across the Slate River at the southerly boundary of Lot 7 of The McCormick Ranch on condition that such portage shall remain within 15 feet of the Slate River.

Section 3.12 Partition of Lots. No part of a Lot may be partitioned, separated or subdivided from any other part thereof. The provisions of this section shall have perpetual duration and shall not be amended, notwithstanding the provisions of Article 12.

Section 3.13 Perpetual Preservation of Open Space. Except as provided in Section 3.2, no Buildings or other Improvements shall be constructed in any Open Space, provided, however, that fences and corrals enclosing up to one (1) acre on each Lot may be located outside of the Building Site upon approval by the Board. Notwithstanding the provisions of Section 12.1 or any other provisions of this Declaration, this Section 3.13 shall constitute a perpetual covenant running with title to all of the Lots.

Section 3.14 Private Fishing and Walking Easement. A private trail easement for The McCormick Ranch Lot Owners and their guests and invitees is hereby dedicated on both sides of the Slate River as depicted on the Plat, subject to such rules and regulations as the Board may adopt.

Section 3.15 Public Trails. Declarant has dedicated on the Plat a public non-vehicular Slate River access easement and 15' wide public non-vehicular trail easements, subject to the following terms and conditions:

A. All public easements are for public use. Dogs are prohibited, except on the trail crossing the northwest corner of Lot 6 connecting the Verzuh Ranch Annexation to the Town of Mt. Crested Butte recreation path, upon which leashed dogs shall be allowed. Public use as used in this paragraph 3.15 means pedestrians, bicyclers, wheel chair users, nordic skiers, horseback riders and other similar non-motorized users. Motorized vehicles shall be allowed as reasonably necessary for trail and bridge construction and maintenance.

B. Commercial use of trails for revenue is not permitted.

C. The Declarant has dedicated a perpetual access easement to the Town of Crested Butte for nordic skiing and setting nordic skiing trails on the nordic easements depicted on the Plat and public non-motorized access to the Slate River.

D. Trail use may be closed during nesting season, from May 1, through July 10, each year, and to avoid trail damage during the wet season. These dates may change when better information is acquired about nesting season and the impacts of people on nesting birds and animals.

E. The bridge over the river accessing The McCormick Ranch will be 22 feet wide, in compliance with Gunnison County Standards. Declarant shall sign the bidge: "YIELD TO PEDESTRIANS ON BRIDGE".

F. The Plat depicts the general locations of all trails. The Town of Crested Butte or its designee shall have the right to prepare a survey of all "as-built" trails. Nordic skiing trails may be moved by the Town of Crested Butte up to 100' in either direction from the locations depicted.

G. An east/west year-round trail is located on The McCormick Ranch Road, except near the easterly terminus of such trail, where it connects to adjacent property. Declarant reserves the right, on or before December 31, 2010, to relocate such trail on Lot 3 if necessary to connect to a trail on adjacent land.

H. The approximate locations of public easements on Lots 6 and 7 for bridge construction and maintenance are depicted on the Plat. The Town of Crested Butte, Colorado, or its designee, is granted a perpetual easement as reasonably necessary for bridge construction and maintenance. The area of such easement may vary from and/or be larger than the area depicted on the Plat.

I. Declarant has dedicated a public non-vehicular Slate River access easement for pedestrian, bicycle, nordic skiing, wheelchair, equestrian and other similar non-motorized uses as depicted on the Plat. Dogs are prohibited. Commercial use of the public river access easements for revenue is not permitted.

ARTICLE 4.

ARCHITECTURAL REVIEW AND APPROVAL

Section 4.1 Architectural Review Board. The Board of Directors of the Association shall be the Architectural Review Board.

Section 4.2 Review and Approval. No Family Residence, Guest House, Garage, Barn, Building or other Improvement shall be commenced, constructed, erected, altered, taken apart or maintained upon any Lot, nor shall any landscaping, excavation or tree clearing be done, nor shall any exterior addition, change, painting, decoration or alteration be made, until the plans and specifications thereof have been submitted to and approved in writing by the Board in the manner hereafter set forth.



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Section 4.3 Submittal Procedure. Prior to the commencement of any such work, complete plans shall be submitted to the Architectural Review Board for approval. The Board shall determine when a submission is complete. The submittal for approval shall include, at a minimum, the following documents:

A. A plot plan showing the location of any Building(s) or Improvements, landscaping, corrals, fences, access driveway, parking area and any terrain or structure features, such as large rocks, trees, ponds, patios, fences, utility lines, storage areas or decks.

B. Complete plans and specifications for the Building(s), and including a roof plan, in sufficient detail to verify and confirm the size, type and dimensions of the Building(s), mass and height of the Building(s), all design features thereof, all exterior elevations showing all sides of the Building(s), all floor plans and the types of construction and materials. All foundations shall be designed by a licensed engineer or architect.

C. Samples of the exterior materials and color schemes for the Building(s).

D. A detailed landscape, drainage and grading plan, including topography and contour lines.

Section 4.4 Purpose of Review. The Board shall consider the suitability of the proposed Building(s) and in particular the harmony of the Building(s) with the environment, the effect of the Building(s) on the utilization and view of the Lot and surrounding Lots and property and the placement of the Building(s) with respect to topography, drainage, snow removal, ground elevations, existing natural and terrain features and the visibility of any structure from the Town of Crested Butte.

Section 4.5 Hearing.

A. The Board shall, within sixty days of receiving an application for approval with all accompanying data, hold a hearing on such request, subject to Section 4.10. The Board may approve, disapprove or approve with conditions any request submitted to it. The decision of the Board shall be in writing. In the event that the Board fails to take action within ten days after the date of the hearing, or fails to hold such hearing within sixty days after receiving an application, the application shall be deemed to have been approved.

B. If the Board reasonably determines that a site inspection is necessary to properly evaluate an application, it shall have the discretion to defer decision until the affected Lot is free from snow to enable the Board to conduct a thorough inspection of the Lot.

Section 4.6 Notice of Hearing. The Applicant, and any person on his behalf, may attend the hearing on the application for approval and submit information in support of the application. Notice of the hearing shall be given in writing to all members of the Association and all members shall have the right to be present at the hearing or to submit written comments.



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Section 4.7 Quorum. A majority of the Board shall constitute a quorum and all decisions of the Board shall be by a majority vote of the directors present.

Section 4.8 Final Decision. The decision of the Board shall be final, subject only to the right of judicial review as provided by the laws of the State of Colorado. The Board shall indicate in the event of denial, the reasons why the application was denied and grant to the applicant an opportunity to resubmit with the revisions and corrections that would bring the application into conformity with the requirements of the Board and Association Documents.

Section 4.9 Rules and Regulations. The Board may adopt such design guidelines and rules and regulations which are not inconsistent with this Declaration as it deems appropriate to govern its proceedings and the use of Lots, easements and The McCormick Ranch.

Section 4.10 Application Fee. A reasonable application fee will be required for any approval request. If the Board deems it appropriate to incur any professional or other expense in connection with an application, the Owner of the Lot to which the application pertains shall be obligated to pay such expense prior to the Board's decision on the Owner's application.

Section 4.11 Building and Other Permits. In addition to the requirement for approval by the Board, each owner is responsible for obtaining all approvals, licenses and permits as may be required by Gunnison County, Colorado and any other entity or district having jurisdiction over the Lot prior to the commencement of construction, including, without limitation, building, environmental health and individual sewage disposal system permits. A Gunnison County Land Use Change Permit may be required for improvements to be constructed on Lots within the McCormick Ranch. In addition, construction on and use of Lots are subject to the terms, provisions and restrictions of Board of County Commissioners of Gunnison County Resolution No. 19 Series 1999, A Resolution Conditionally Approving Land Use Change Application No. 1998-76, A Land Use Change Permit for Lacy and Dow LLC. Prospective purchasers of McCormick Ranch Lots are advised to contact Gunnison County's planning and building departments to ascertain what permits are needed and how to obtain approval of such permits.

Section 4.12 Variances. Subject to the requirements of Sections 12.6 and 12.7, the Architectural Review Board may grant variances as to the design requirements contained in Article 5 and the location and size of the Building Site under the following conditions:

A. An application for a variance shall be submitted in the same manner as is required for design review approval. If the requested variance is part of an application for approval of a Building or other structure, such request may be submitted as part of that application.

B. A variance of the design requirements of this Declaration or the Design Guidelines may be granted if such variance is reasonable, is in keeping with the overall design objectives of The McCormick Ranch, and does not unreasonably detract from the Building Site, any other Building Site, or The McCormick Ranch.



ARTICLE 5.

DESIGN REQUIREMENTS

Section 5.1 Design Requirements. Any Family Residence, Guest House, Garage, Barn, Building or Improvement on any Lot shall comply with the design requirements of this Declaration and of all design guidelines which may be adopted by the Board.

Section 5.2 Building Site. Any Building or Improvement shall be constructed entirely within the designated Building Site for the Lot, except as otherwise provided in this Declaration. The Board shall have discretion to modify the Building Site boundaries for good cause, which shall include, but not be limited to reduction of wetlands impacts and visual impacts.

Section 5.3 Setback. Except as otherwise approved by the Board, Buildings shall be set back from any Lot line at least 150 feet, unless any part of a Building Site is closer than 150 feet from a Lot line, in which event construction within the Building Site shall be allowed. The Board shall have discretion to increase or decrease the setback for good cause.

Section 5.4 Uniform Building Code. All Buildings and Improvements shall meet all of the requirements, including fire protection standards, of the Uniform Building Code, and all other applicable codes, rules and regulations.

Section 5.5 Minimum Floor Area. The gross residential floor area (GRFA), determined in the manner provided by the Uniform Building Code, shall be not less than 1,500 square feet for any Family Residence, unless otherwise approved by the Board of Directors.

Section 5.6 Maximum Floor Area. The maximum gross floor area of all Buildings on a Lot, determined in the manner provided by the Uniform Building Code, shall not exceed 7,500 square feet in the aggregate. No Building shall have floor area which exceeds 5,000 square feet. Buildings may be connected by open (but not enclosed) ground floor level breezeways or hallways of at least 20 feet in length, even though the total floor area of such connected Buildings exceeds 5,000 square feet. The floor area of each building shall be limited to the following:

<u>Building Type</u>	<u>Maximum Floor area of Building</u>
Family Residence	5,000 square feet
Guest House	1,500 square feet
Garage	1,000 square feet
Barn	1,500 square feet

Section 5.7 Height. No Building shall be higher than 2 stories above grade. The maximum height of any Building shall be 35 feet. The height of a Building for the purpose of this Section shall be measured from the lowest point where natural grade meets the foundation to the highest point of the roof, as determined by the Board.



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Section 5.8 Roofs. Roof material and design shall be approved by the Board. Any metal roof must have a dark, non-reflective color finish approved by the Board.

Section 5.9 Exterior Building Materials and Style. All Buildings shall have unobtrusive, primarily earth tone colors and materials that blend with the surrounding natural terrain and environment. No exterior walls shall consist of sheet metal, metal material, T-111 or any similar material, composition shingles or unplastered cement or similar block. No bright colors, materials or construction techniques which would unnecessarily call attention to the Building shall be permitted. A-frames or geodesic domes shall not be permitted. At least 15% of the exterior material, excluding the windows and roof, on all Buildings shall be an architecturally appropriate material different from the primary exterior material.

Section 5.10 Service or Utility Areas. All service or utility areas or yards and garbage cans and trash storage areas shall be screened from view on all sides and protected from bears, wildlife and other animals.

Section 5.11 Exterior Lighting. All exterior lighting shall be designed and directed in a manner approved by the Board. All exterior lighting or illumination on any Lot shall be so located, placed, shielded and designed to be architecturally and aesthetically in keeping with the Buildings and surroundings and to have minimum visual impact on any other Lot or any nearby land. No unsheathed exterior lighting shall be allowed. No mercury vapor or similar lighting shall be allowed.

Section 5.12 Antennae. No exterior radio, television, microwave or other antennae or antennae dish or signal capture or distribution device shall be permitted or installed on any Lot unless it is entirely screened from view on all sides and such screening shall be in keeping with the terrain and environment.

Section 5.13 Wood Burning Devices. The maximum number of woodburning devices per Lot shall be two. Such woodburning devices shall be designed to reduce polluting emissions by incorporating efficient hot air return and/or storage characteristics. All woodburning devices on the Town of Crested Butte list of approved burning devices as of October 1, 1999 shall be permitted within The McCormick Ranch. All woodburning devices added to the Town of Crested Butte list of approved woodburning devices after October 1, 1999 shall also be permitted within The McCormick Ranch.

Section 5.14 Fire Protection. It is required that all residential Buildings situate upon the Property have installed and maintained a water or chemical sprinkler system of a type and design, including water capacity and pressure, sufficient for fire protection of the Building. At a minimum, such system shall comply with NFPA 13D. All Buildings shall be constructed in compliance with the requirements of the Crested Butte Fire Protection District.

Section 5.15 Wildfire Safety. In the design and location of any Building within the Building Site, a wildfire safety zone will be utilized following the recommendation of the Colorado State Forest Service as contained in the "Wildfire Safety Guidelines for Rural Homeowners" by J. Bruce Coulter, Colorado State Forest Service, Colorado state University, 1980, or any later edition then in effect.



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ARTICLE 6.

CONSTRUCTION AND MAINTENANCE REQUIREMENTS

Section 6.1 Excavation. No excavation shall be made on any Lot, except in connection with a Building approved by the Board in accordance with this Declaration of Protective Covenants.

Section 6.2 Electrical and Telephone Service. All new electrical and telephone service shall be installed underground. Underground utilities may be constructed within the McCormick Ranch access road easement.

Section 6.3 Water and Sewage Disposal Systems. All Buildings designed for human occupancy shall be connected with individual water and sewage disposal facilities. All individual water systems and sewage disposal systems shall be constructed, installed and maintained by the Lot Owner in compliance with all applicable rules and regulations of any governmental entity having jurisdiction over the Property. All sewage disposal systems shall comply with all applicable rules and regulations of Gunnison County and the State of Colorado. In the event that central sewage disposal is made available to The McCormick Ranch, the Association shall have the right to require that all Lots be served by a central sewage disposal system.

Section 6.4 Signs. No sign of any kind shall be displayed on any Lot, except only a sign not to exceed four square feet identifying the Owner and/or address of the Lot or a sign, not to exceed four square feet, advertising the property for sale.

Section 6.5 Drainage. No Owner shall do or permit any work, construct any improvements or do any landscaping which shall alter or interfere with the natural drainage for the Property, except to the extent the same is approved by the Board and as authorized by any surface water discharge easement.

Section 6.6 Temporary Structures. No temporary structure, mobile home, modular home, trailer house, travel trailer or R.V. vehicle shall be permitted on any Lot, except only as may be determined to be necessary during the period of construction of the Family Residence and as specifically approved by the Board. Provided, however, a single motor home, travel trailer or similar vehicle of any Owner or an Owner's guest or a tent for camping shall be permitted within the Building Site of a Lot for a period of time which shall not exceed 30 days per year.

Section 6.7 Continuity of Construction. All construction, reconstruction, alterations or improvements shall be prosecuted diligently to completion and shall be completed within twelve months of the commencement thereof, unless an exception is granted by the Board for good cause.

Section 6.8 Landscaping. The Lot and all landscaping and foliage thereon shall be maintained in its natural condition to the extent possible. Lawns and artificial landscaping shall be minimal and in no event shall an irrigated lawn and garden exceed 1,000 square feet. No foliage shall be cut or removed from any Lot except only (1) as required to permit ingress



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and egress to and from the Building Site, (2) to clear the actual construction site for any Family Residence, Guest House, Garage or Barn, (3) to remove any diseased or dead foliage, (4) to remove any foliage that poses a danger to any Building, (5) as required for Wildfire Safety and (6) for any recreational or other easement. The Association shall have authority to levy a fine of at least \$500.00 per plant for the cutting or removal of foliage in violation of this section.

Section 6.9 Trash. No trash, ashes, garbage or other refuse shall be allowed to accumulate or placed on any Lot or area within the Property. There shall be no burning, burying or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of such refuse and all such receptacles shall be screened from the public view and from the wind and protected from bears, wildlife and other animals and other disturbance. All Lots shall at all times, including during construction, be maintained in a neat and attractive condition. All construction debris shall be stored within a dumpster or other comparable container or receptacle.

Section 6.10 Abandoned or Inoperable Vehicles. Abandoned or inoperable automobiles or motor vehicles of any kind, except as hereinafter provided, shall not be stored or parked on any Lot, except in a fully enclosed garage. "Abandoned or inoperable vehicle" shall be defined as any vehicle which has not been driven under its own power for a period of one (1) month or longer. A written notice describing the "abandoned or inoperable vehicle" and requesting removal thereof may be personally served upon the Owner or posted on the unused vehicle; and if such vehicle has not been removed within seventy-two (72) hours thereafter, the Association shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the Owner.

Section 6.11 Noise. No horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the improvements on any Lot, shall be placed or used on any Lot. Except for a brief warning bark when a person approaches the Lot, no dogs shall be allowed to bark, whine or otherwise make noise which is audible on nearby Lots.

Section 6.12 Nuisance. No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted upon the Property which is offensive or detrimental to any other part of the Property or its Owners or occupants; provided, however, that this Section shall not apply to any reasonable, usual noise or other activity involving construction of any improvements approved by the Board of Directors. No motor vehicles of any kind shall be operated within McCormick Ranch except on platted roadways and on driveways and parking areas.

Section 6.13 Hazardous Activities. No activities shall be allowed or conducted on the Property which are or might be unsafe or hazardous to any person or property. Such hazardous activities include, but are not limited to hunting, setting off fireworks and discharging firearms, bows and arrows, explosives, air or pellet guns or any similar devices. No outside open fires shall be permitted on any Lot unless contained within a cooking or barbecue unit or grill.



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Section 6.14 Fences. No fences, walls or barriers shall be constructed, erected or maintained on any Lot except for fences and corrals within each Building Site and/or up to one (1) acre on each Lot outside of the Building Site upon approval by the Board. The Association shall be responsible for the expense of maintaining that part of the perimeter fencing around the Property not maintained by the owner(s) of adjacent land. Perimeter fencing around the Property shall not exceed 5 feet in height.

Section 6.15 Wetlands. All driveways, Buildings and other Improvements shall be located, designed and constructed so as to avoid affecting wetlands to the extent feasible. If it is not feasible to avoid affecting wetlands, the Lot Owner shall be responsible for designing and constructing all appropriate mitigation measures and for obtaining all required permits, including a 404 permit from the United States Army Corps of Engineers. The Board shall have broad discretion to reject plans and specifications for any Improvements which will impact wetlands. Lot Owners shall comply with all terms and provisions of the 404 Permit issued by the United States Army Corps of Engineers for construction of the McCormick Ranch access road.

Section 6.16 Driveways. To the extent feasible, all driveways shall be located as depicted on the Plat. Notwithstanding any other provision in this Declaration to the contrary, the Board, to minimize impact on wetlands, avoid building constraints, preserve foliage, or for other good cause, shall have the right to review and approve the precise location of all driveways and relocate the driveways depicted on the Plat, including the right to locate or relocate a driveway on an adjacent Lot.

Section 6.17 Tree Removal. Removal of trees and other foliage shall be strictly limited. The Board shall have broad discretion to restrict removal of trees and other foliage and to require replacement of trees and other foliage.

ARTICLE 7.

ANIMALS

Section 7.1 Domestic Household Pets. Not more than two domesticated household pets of the same species shall be allowed, kept or maintained on any Lot.

Section 7.2 Confinement of Animals. All animals shall be kept confined to the Owner's Lot or attached to a leash or other suitable control device at all times. The Owner of any animal and/or the Owner of any Lot which the animal is visiting or staying on shall at all times be personally liable and responsible for all actions of such animal and any damage caused by such animal.

Section 7.3 Horses. Up to four (4) horses shall be allowed on any Lot so long as such horses are kept within a fenced or enclosed area within the Building Site and such area is kept in a clean and sanitary condition at all times. Horses shall be kept only in a barn or corral. Barn stalls and corrals must be cleaned daily.



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Section 7.4 Rules and Regulations. The Board may adopt suitable rules and regulations regarding animals and may in particular circumstances, for good cause, approve variances as to the number and type of animals to be allowed, kept or maintained on any Lot.

Section 7.5 Impoundment of Animals. The Association is specifically empowered to impound any dog or cat running at large within the Property. Upon impoundment, the owner of the dog or cat, if known, shall be notified and the animal shall be taken to the nearest facility which accepts impounded dogs or cats. It is the duty of the owner of such dog or cat to recover the dog or cat from such facility and if the dog or cat is not recovered by the owner in accordance with the rules and regulations of such facility, the facility may destroy the dog or cat without liability.

ARTICLE 8.

McCORMICK RANCH ASSOCIATION, INC.

Section 8.1 Government of Association. McCormick Ranch Association, Inc., a Colorado non-profit corporation, shall be governed by and shall exercise all of the duties, privileges and obligations set forth in this Declaration, and the Articles of Incorporation and Bylaws of the Association.

Section 8.2 Members. Each Owner shall be a Member of the Association. No owner, whether one or more persons or entities, shall have more than one membership per Lot owned by such Owner, but all persons owning each Lot shall be entitled to the rights of membership and the use and enjoyment appurtenant to the ownership of each Lot.

Section 8.3 Termination of Membership. The right of membership in the Association and the status as a Member shall terminate upon the termination of ownership of a Lot. Upon conveyance, sale or assignment of the Owner's interest, the selling Owner shall be relieved of liability for assessments levied from and after the date of such sale or conveyance; provided, however, that no such sale or conveyance of any ownership shall relieve an Owner of liability arising prior to the date of such sale or conveyance.

Section 8.4 Voting Rights. All Owners shall be Members of the Association. The Owner of each Lot shall be entitled to one vote in the Association. The one vote for each Lot shall be exercised by the Owner and, when more than one person or entity holds an interest in a Lot, the vote for the Lot shall be exercised as the Owners may determine among themselves, but the vote for the Lot shall be cast by only one person.

Section 8.5 Compliance with Association Documents. Each Owner shall abide by and have the benefit of the provisions, covenants, conditions and restrictions contained in the Association Documents.

Section 8.6 Rules and Regulations. The Association shall from time to time adopt, amend and repeal rules and regulations not inconsistent with this Declaration governing, among other things, and without limitation:

- A. The use of Lots and Common Areas.
- B. The use of any private road or street.



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- C. The use of any easements within the Property.
- D. Standards for the care and maintenance of all improvements, grounds and landscaping within the Property, including private roads and streets.
- E. The use, maintenance and enjoyment of any real property, private road, street or easement conveyed or dedicated to the Association.
- F. Any other matter relating to The McCormick Ranch or the use of any Lot or the Property not inconsistent with this Declaration.

Section 8.7 Grant of Utility Easements. The Declarant hereby authorizes and empowers the Association as its attorney in fact, to give and grant a utility easement for the installation, construction and maintenance of underground utilities over and across any road easement designated on the Plat. The Owner of each Lot, by virtue of such ownership, hereby authorizes and empowers the Association, as its attorney in fact, to give and grant a utility easement and right of way on each Lot 20 feet in width adjacent to the exterior boundary line of each Lot for the installation, construction and maintenance of underground utilities.

Section 8.8 Road Maintenance and Dust Control. All roads within the Property shall be constructed in accordance with the road permits issued by Gunnison County, Colorado. Upon completion of construction of the roads, all maintenance, repairs and snow plowing and supervision shall be the duty of and vested in the Association. The Association shall:

- A. Keep in good repair all roads within the Property and maintain the same in suitable condition for use by the members of the Association and drivers of fire trucks and other emergency vehicles.
- B. Provide dust control not less than once a year on The McCormick Ranch Road and at any time that the use of any road within the Property is the cause of dust pollution, to provide dust control in the form of the use of magnesium chloride, oil treatment or other suitable dust retardant.
- C. Plow snow from the roads during the winter months.

Section 8.9 Public Use of McCormick Ranch Road. The public shall not have the right to use The McCormick Ranch Road, except as indicated on the Plat or as otherwise authorized by Declarant, subject to the condition that such public use shall be confined to travel by foot, nordic ski, wheelchair, bicycle, horseback and other similar non-motorized travel, without motorized vehicles or conveyances of any kind. Motorized vehicles shall be allowed on The McCormick Ranch Road as reasonably necessary for trail and bridge construction and maintenance.

ARTICLE 9.

ASSESSMENTS

Section 9.1 Creation of Lien. Each Owner of any Lot, by acceptance of a Deed therefor, whether or not it shall be so expressed in any Deed, is deemed to covenant and agree to pay to the Association all regular, special and default assessments or charges, all of which shall be fixed, established and collected as determined by the Association. The annual, special and default assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and continuing lien upon the Lot against which each such assessment is made until paid. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall be the personal obligation of the Owner of such Lot at the time when the assessment became due.

All such assessments shall be adopted and assessed in the manner set forth in this Article 9.

Section 9.2 Purpose of Assessments. The assessments levied by the Association shall be used for the following:

- A. The improvement, maintenance and repair of and snow removal from any road serving the Property.
- B. The maintenance, repair or other improvement required to be made by any Owner to any Improvement on any Lot which the Owner fails to do.
- C. The operation of the Association in the performance of its duties.
- D. Any other purpose approved by a majority vote of the members of the Association or by a two-thirds vote of the Board.

Section 9.3 Types of Assessments. The Board of Directors shall have the authority to levy the following types of assessments for the Association:

- A. **Regular Assessments.** Assessments for the business and operation of the Association pertaining to all members of the Association and to be apportioned and allocated equally among all Lots.
- B. **Special Assessments.** Special assessments for the purpose of construction, improvement, repair, replacement, enlargement or other special purposes pertaining to a specific or special matter. Special assessments shall be apportioned and allocated equally among all Lots, unless such special assessment benefits substantially fewer than all Lots, in which event such special assessment shall be levied against only the Lots so benefitted. The Board shall have reasonable discretion in apportioning responsibility to pay special assessments.
- C. **Road Assessments.** Assessments for the purpose of construction, improvement, repair, replacement of and/or snow removal from roads serving the Property.



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Section 9.4 Regular Assessments. Prior to the beginning of each fiscal year of the Association, the Board of Directors shall prepare and adopt a budget and determine, levy and assess the Association's regular and road assessments for the following year.

Section 9.5 Special Assessments. In addition to the regular assessments set forth in Section 9.4, above, the Board of Directors may levy in any fiscal year one or more special assessments. Notice of the amount and due dates for such special assessments shall be sent to each owner at least thirty days prior to the due date.

Section 9.6 Assessment for Each Lot. All regular assessments shall be apportioned and allocated equally among all Lots. All special assessments shall be apportioned and allocated equally among all Lots unless such special assessment benefits substantially fewer than all Lots, in which event such special assessment shall be levied against only the Lots so benefitted. All road assessments shall be apportioned equally among all Lots.

Section 9.7 Default Assessments. Any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of or because of an Owner, shall be a default assessment and shall become a lien against such Owner's Lot and may thereafter be foreclosed or otherwise collected as provided herein. Notice of the amount and due date of such default assessment shall be sent to the Owner subject to such assessment at least thirty days prior to the due date.

Section 9.8 Nonpayment of Assessments. Any assessment, whether regular, special, road or default assessment, which is not paid within thirty days of its due date shall be deemed delinquent. In the event that any assessment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

- A. Assess a late charge of at least 10% of the amount due and owing per delinquency.
- B. Assess an interest rate charge from the date of delinquency at 18% per year, or such other rate not contrary to law as shall be established by the Board.
- C. Suspend the voting rights of the Owner during any period of delinquency.
- D. Bring an action against any Owner personally obligated to pay the delinquent assessment.
- E. File a Statement of Lien with respect to the Lot, which lien may be foreclosed in the manner hereafter set forth. The Association may file a Statement of Lien by recording with the Clerk and Recorder of Gunnison County, Colorado, a written statement with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association and the amount of the delinquent assessments then owing, which Statement shall be signed and acknowledged by the President, Vice President, Secretary, attorney, manager or other representative of the Association, and which shall be sent by certified mail, postage prepaid, to the Owner of the Lot at such address as the Association may have in its records as to the Owner. Ten days following the mailing of such Notice, the Association may proceed to record and foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado. Such Statement of Lien shall secure all assessments accruing or assessed



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subsequent to the date of recording of such Statement of Lien until the same has been satisfied and released, together with the Association's attorneys' fees and costs incurred in the preparation and recording of such Statement of Lien and any release thereof. In any action for the payment or foreclosure of such assessment, the Association shall be entitled to recover as part of the action, the interest, costs and reasonable attorneys' fees with respect to the action.

F. The Statement of Lien shall be superior to all other liens (except government tax liens) and encumbrances on such Lot, including, for one year's regular assessment, the lien of any Mortgage.

Section 9.9 Successor's Liability for Assessment. In addition to the personal obligation of each Owner of a Lot to pay all assessments and the Association's lien on a Lot for such assessments, all successors to the ownership of a Lot shall be jointly and severally liable with the prior Owner for any and all unpaid assessments, interest, costs, expenses and attorneys' fees against such Lot.

ARTICLE 10.

WATER RIGHTS

Section 10.1 Water Augmentation Plan. At present, the Association owns no water rights. If the Association acquires any water rights in the future, the Association shall be responsible for compliance with the terms of any decree and any plan of augmentation regarding water rights, if any, owned or obtained by the Association, the maintenance of all records and other reporting requirements imposed by any decree and the maintenance, repair and replacement of all ditches, pipes, flumes, dams, outlet works, and other physical components required for the proper implementation of any plan of augmentation.

Section 10.2 Lawn and Garden Irrigation. Except as provided in Section 6.8, the owner or occupant of any Lot within the Property shall not irrigate, by sprinkler, flood irrigation or otherwise, any lawn or garden on any Lot; nor shall any owner or occupant of any Lot take any action which contravenes the provisions and limitations contained in any decree of the Water Court in any case affecting water rights, if any, owned or obtained by the Association.

ARTICLE 11.

ENFORCEMENT OF COVENANTS

Section 11.1 Violations Deemed a Nuisance. Every violation of this Declaration of Protective Covenants, the Articles and Bylaws of the Association or any rules and regulations adopted by the Association shall be deemed to be a nuisance and is subject to all the remedies provided for the abatement thereof.

Section 11.2 Failure to Comply. The failure to comply herewith shall be grounds for an action to recover damages, for injunctive relief, for specific performance and/or any other remedy available at law or in equity. Reasonable (30 days) notice and an opportunity for a hearing shall be provided by the Association to any delinquent Owner prior to commencing any legal proceedings, except where the safety of persons or property is threatened.

Section 11.3 Who May Enforce. Any action to enforce any violation of any provision of these Protective Covenants may be brought as follows:

- A. By the Association.
- B. By the Owner of any Lot.
- C. By any Member of the Association.
- D. By the Declarant.
- E. By Gunnison County as to Sections 3.6, 3.12, 3.13, 5.6, 5.7, 5.14, 6.14 and 8.8.
- F. By the Town of Crested Butte as to Sections 2.7, 2.17, 3.2, 3.6, 3.11, 3.12, 3.13, 3.15, 5.6, 5.7, 5.8, 5.11, 5.13, 6.14, 8.8B, 11.3F, 12.7 and 14.1H.

Section 11.4 No Waiver. The failure of the Board, the Association or any Lot Owner to enforce or obtain compliance as to any violation shall not be deemed a waiver of the right to do so for any subsequent violation or the right to enforce any part of such documents.

ARTICLE 12.

DURATION OF COVENANTS AND PLAT

Section 12.1 Term. The term of this Declaration of Protective Covenants, and any amendments or supplements thereto, shall be from the date of recording in the records of Gunnison County, Colorado and until January 1, 2030. Thereafter, this Declaration of Protective Covenants shall be automatically extended for five successive periods of ten years each, unless otherwise terminated or amended as hereafter provided.

Section 12.2 Amendment. Subject to the provisions of Sections 12.6 and 12.7, this Declaration of Protective Covenants and/or the Plat, or any provision thereof, may be terminated, extended, modified or amended as to the Property subject to the Protective Covenants, or any portion thereof, upon the written consent by the Owners of 67% or more of the Lots in the Property. Any such amendment shall be by an instrument or instruments duly executed, acknowledged and recorded in the records of Gunnison County, Colorado, and upon such recording shall be for the benefit of and be binding on all Owners of Lots within the Property.

Section 12.3 Amendment by Declarant. Notwithstanding the provisions of Section 12.2, above, the Declarant reserves the right and power to modify or amend this Declaration and/or the Plat in any respect, subject to the provisions of Section 12.7, below, by executing and recording such amendment in the records of Gunnison County, Colorado, which shall be effective upon recording without approval by the Owner of any Lot or the holder of any Mortgage or other interest in any Lot. This right to modify or amend this Declaration or the Plat in whole or in part, at any time and from time to time, shall be effective until both of the following conditions have been satisfied:

A. One-half of all Lots within the Property have been conveyed by a recorded instrument of conveyance to a person or persons other than the Declarant; and

B. Declarant has received final approval by the Town of Crested Butte, Colorado ("Town") of its applications to annex and subdivide approximately 79.28 acres located between The McCormick Ranch and the town and a plat subdividing such 79.28 acres has been recorded in the Gunnison County, Colorado records.

Section 12.4 Plat Amendments. Notwithstanding any other provision in the Covenants to the contrary, Declarant reserves the right to amend the Plat until one year following completion of all McCormick Ranch road and utility construction. Such Plat amendment(s) may include but shall not be limited to relocation of roads, public trails and easements, Lot boundaries, Building Sites, driveways and easements. No Lot Owner shall have any right to review and/or approve any such Plat amendment except that no modification by Declarant of any Building Site shall be effective without the written approval of the Owner of the Lot on which such Building Site is located. Except as provided in the preceding sentence, all such Plat amendments shall be effective upon recording without approval by the Owner of any Lot or the holder of any Mortgage or other interests in any Lot.

Section 12.5 Mortgage Holder Approval Not Required. The Declaration and/or Plat may be amended as set forth in this Article 12 of this Declaration and such amendment shall be effective against the holders of Mortgages and other interests encumbering Lots in the subdivision notwithstanding the fact that such holders of Mortgages and other interests have not approved such amendment.

Section 12.6 Approval by Gunnison County Required for Certain Amendments. Notwithstanding anything herein to the contrary, no amendment or variance of Sections 3.6, 3.12, 3.13, 5.6, 5.7, 5.14, 6.14 or 8.8 shall be effective without the written approval of Gunnison County, Colorado.

Section 12.7 Approval by Town of Crested Butte Required for Certain Amendments. Notwithstanding anything herein to the contrary, no amendment or variance of Sections 2.7, 2.17, 3.2, 3.6, 3.11, 3.12, 3.13, 3.15, 5.6, 5.7, 5.8, 5.11, 5.13, 6.14, 8.8B, 11.3F, 12.7 and 14.1H shall be effective without the written approval of the Town of Crested Butte, Colorado.

ARTICLE 13.

PRINCIPLES OF INTERPRETATION

Section 13.1 Severability. This Declaration of Protective Covenants, to the extent possible, shall be construed so as to give validity to all of the provisions hereof. If any provision of this Declaration of Protective Covenants is determined to be invalid, unenforceable or prohibited by any court, the same shall not affect any other provision or section hereof and all other provisions and sections shall remain in full force and effect.



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Section 13.2 Construction. In interpreting words herein, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include all genders.

Section 13.3 Headings. The headings on any section or article are included only for purposes of convenient reference and shall not affect the meaning or interpretation of this Declaration of Protective Covenants.

Section 13.4 Written Notice. All notices required under this Declaration shall be in writing. Notice to any Owner shall be considered delivered and effective upon personal delivery or five days after mailing by certified or registered mail, return receipt requested, to the address of such Owner on file in the records of the Association at the time of such mailing.

Section 13.5 Limitation of Liability. Neither the Association nor any officer or director, shall be liable to any party for any action or for any failure to take any action with respect to any matter arising by, through or under this Declaration if the action or failure to act was made in good faith. The Association shall indemnify all officers and directors with respect to any action taken in their official capacity as provided in the Articles of Incorporation and Bylaws of the Association.

Section 13.6 Attorneys' Fees. If any legal action is commenced or maintained in court, whether in law or in equity, as to the interpretation, enforcement, construction or the determination of the rights and duties arising under this Declaration or any document provided for herein or relating hereto, the prevailing party in any such action shall be entitled to recover reasonable attorneys' fees together with all reasonable costs and expenses incurred.

Section 13.7 Applicable Law. The exclusive proper jurisdiction and venue for any action pertaining to the interpretation or enforcement of the Association documents shall be the County Court or District Court of Gunnison County, Colorado, unless otherwise chosen by the Association.

Section 13.8 Interest. Any sums, amounts or monies due and owing to the Association under the Association documents shall bear interest at 18% per year from the date due until paid, or at such other rate as the Board shall establish.

ARTICLE 14.

RIGHTS RESERVED TO DECLARANT

Section 14.1 Development Rights and Special Declarant Rights. The Declarant specifically reserves the right to exercise in any order all Development Rights and Special Declarant Rights as set forth in the Colorado Common Interest Ownership Act and this Declaration for the maximum time limit allowed by law, including, without limitation, the following:

- A. The right to amend the Declaration or Plat as set forth in Article 12.

B. The right to appoint or remove any officer of the Association or any Director of the Association during the Declarant Control Period.

C. The right to complete or make any Improvements as set forth on the Plat, the Association Documents or as required by Gunnison County.

D. The right to add additional land and/or Lots to the subdivision as provided in Section 1.4 of this Declaration.

E. The right to maintain signs to advertise the subdivision.

F. The right to dedicate a future public or private easement.

G. Declarant hereby reserves easements 20 feet in width for the installation of underground utilities around the perimeter of each Lot. Upon completion of any installation or maintenance of utilities, the property disturbed or damaged by such installation or maintenance shall be restored to a condition as near as reasonably possible as it was prior to the installation or maintenance of the utilities. Declarant reserves the right to allow any utility provider to utilize the easements reserved in this paragraph and/or to assign such easements to the Association.

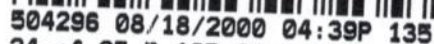
H. The Plat depicts the general location of all road easements and public trail easements. Subject to written agreement with the Town of Crested Butte, Declarant reserves the right to adjust up to 100 feet in either direction the location of any road easement or public trail easement shown on the Plat to minimize impact on wetlands, avoid building constraints, preserve trees or for other good cause. The Town of Crested Butte shall have the right to move Nordic ski trail easements up to 100 feet in either direction from locations depicted.

I. Declarant reserves the right to irrigate The McCormick Ranch with water from the Breen Ditch and other water owned by Declarant.

J. Declarant reserves the right for the shareholders of Verzuh Ranch, Inc., Billy Joe Lacy, Daniel Dow and David Dow, and their families, to use the private fishing and walking easement described in Section 3.14, above, during their lifetimes, subject to all applicable Association rules and regulations. Access to such private fishing and walking easement shall be from The McCormick Ranch Road.

Section 14.2 Exercise of Development Rights and Special Declarant Rights.

Declarant's exercise of any rights or powers under Section 14.1 shall be effective without the approval or consent of any Lot Owner, Mortgage holder or other person or entity holding an interest in a Lot. Without affecting the validity of the prior sentence, every Lot Owner, Mortgage holder or other person or entity holding an interest in a Lot agrees to execute, acknowledge and deliver to Declarant any document reasonably requested to confirm the provisions of this Section 14.2 or any other provision of this Declaration.



(08/03/00) \Lacy\mccormick.cov

A tract of land within the W1/2NW1/4 of Section 1, and the N1/2 Section 2, Township 14 South, Range 86 West, Sixth Principal Meridian, Gunnison County, Colorado; said tract being more particularly described as follows:

BEGINNING AT A POINT which is the north quarter corner of said Section 2, (as marked by a USGLO brass cap monument); thence the following courses around said tract:

1. North 89° 38' 07" West 169.11 feet along the north boundary of said Section 2;
2. SOUTH 2604.19 feet to a point on the easterly extension of the southerly boundary of Block 65 of The Town of Crested Butte;
3. North 89° 57' 52" East 161.61 feet along said easterly extension to a point on the north-south center section line of said Section 2;
4. South 00° 09' 53" West 61.62 feet along said north-south center section line to the center quarter corner of said Section 2;
5. South 89° 36' 35" East 2663.49 feet along the east-west center section line to the east quarter corner of said Section 2, (as marked by a USGLO brass cap monument);
6. South 89° 29' 50" East 1323.19 feet along the south boundary of said W1/2NW1/4 to the southeast corner of said W1/2NW1/4;
7. North 00° 26' 01" East 2647.41 feet along the east boundary of said W1/2NW1/4 to the northeast corner of said W1/2NW1/4;
8. North 89° 15' 17" West 1327.07 feet along the north boundary of said Section 1 to the northwest corner of said Section 1, (as marked by a USGLO brass cap monument);
9. North 89° 21' 39" West 2672.15 feet along the north boundary of said Section 2 to said north quarter corner of said Section 2, said corner also being the POINT OF BEGINNING of the herein described tract.

This tract contains 253.34 acres more or less.

The basis of bearings used herein is astronomic north as determined by solar observations.

Exhibit A
to
Declaration of
Protective Covenants
of The McCormick Ranch



Burda
7/20/00



AFFIDAVIT OF CORRECTION

TO THE PLAT OF

THE MCCORMICK RANCH

Plat filed August 18, 2000, bearing Reception No. 504295
in the office of the Gunnison County Clerk and
Recorder, State of Colorado

I, Brenda G. Kiester, a Professional Land Surveyor in the
State of Colorado, License No. 33647, prepared the plat of The
McCormick Ranch, as filed on August 18, 2000, under Reception
No. 504295 of the records of the Gunnison County Clerk and Recorder,
State of Colorado. Said plat of The McCormick Ranch is corrected as
follows:

1. Curve #15 shown as 548.24' along the arc of curve with radius
of 450.00' and a long chord of N 72° 49' 26" E 514.96' is
corrected to be 193.61' along the arc of a curve with radius of
250.00' and a long chord of S 50° 05' 17" E 188.81'.

Brenda G. Kiester
Brenda G. Kiester
Colorado Registered Land Surveyor
License No. 33647



The foregoing instrument was acknowledged before me this
26 day of December, 2000, by Brenda G. Kiester.

Witness my hand and official seal.
My commission expires 11-10-01.

Imbra Tapamarcay
Notary Public



**MINUTES OF THE McCORMICK RANCH ASSOCIATION
OWNERS MEETING
318 ELK AVENUE, SUITE 24
JANUARY 2, 2014**

Present: Jeff Serra
Jim Fisher
Gordon & Angela Reeves, Toad Property Management

By Phone: Scott Nelson
Doug Hosier
John Bailey
Collin Sprau

The meeting was called to order at 4:05 p.m. on Thursday, January 2, 2014.

Angela explained the notice of meeting had been e-mailed on December 29, 2013 and said all 7 lots were represented at the meeting.

Angela said the minutes of the December 22, 2012 meeting had been distributed immediately after the meeting and also prior to this meeting. Jeff made the motion to approve the minutes as written. Scott seconded the motion and it was unanimously approved.

Angela explained the sewer line had been installed and an air test had been conducted on the HDPE pipe. Williams Engineering were satisfied with the test. However, the Town of Crested Butte did not believe an air test to be the appropriate form of testing and had asked for a hydrostatic test to be conducted in the Spring. Lacy Construction had submitted an invoice for the completed work of \$103,265.25. Angela explained the plans for the sewer line had not included valves to allow the sewer line to be shut off when new lots were becoming operational. Bill Lacy had identified this need and Bill had explained the valves must be in place for a hydrostatic test to be conducted. After discussion it was unanimously agreed Lacy Construction would be paid 95% of the outstanding invoice with the balance being paid once the Town of Crested Butte had signed off on the testing. Concern was expressed at the cost of testing twice and the need to install valves after the pipe was in place. Collin agreed to contact Williams Engineering to discuss the funding for the hydrostatic test and the labor for digging the holes for the valves. Angela agreed to speak to Bill Lacy to establish the best time to complete the installation of the valves.

Angela said the 2014 Budget kept dues at the same level as 2013 and no additional special assessments were planned. The draft 2014 Budget was unanimously approved.

Collin was elected to the Board of Directors for an additional three year term.

The meeting adjourned at 4:50 p.m.

Prepared by Angela H. Reeves

MCCORMICK RANCH ASSOCIATION, INC. POLICY AND PROCEDURE REGARDING ALTERNATIVE DISPUTE RESOLUTION

Effective December 22, 2015

The following Policy and Procedure regarding alternative dispute resolution has been adopted by the Executive Board ("Board") of McCormick Ranch Association, Inc. ("Association") pursuant to Colorado statutes.

1. Encourage Alternative Dispute Resolution. Because litigation is often an expensive and inefficient means of resolving disputes, the Association encourages the resolution of disputes through alternatives to litigation. The Association hereby adopts the following alternative dispute resolution policies and procedures:
 - (a) With respect to disputes between Owners, the Association encourages the parties to seek remedies through procedures other than litigation, such as negotiation, facilitation, mediation or arbitration.
 - (b) Except as provided in Section 2, when the Association is involved in a dispute with one or more Owners, the Board, in its sole discretion, may elect to engage in alternative dispute resolution (including negotiation, facilitation, mediation or arbitration), if this is agreed to by all the parties to the dispute. However, under no circumstances shall the Association be required to participate in any alternative dispute resolution proceeding.
2. Exceptions. Notwithstanding the above, the Association shall not engage in alternative dispute resolution for the following actions, conditions or circumstances:
 - (a) any suit by the Association for recovery of one or more installments of unpaid assessments and other amounts due to the Association;
 - (b) any suit by the Association to obtain a temporary restraining order, injunction or other equitable relief to enforce the provisions of the Governing Documents;
 - (c) any suit exclusively between Owners, in which the Association is not a party; or in any suit between Owners in which the Association has been named as a defendant; or in any suit between Owners in which the Association has chosen to intervene;
 - (d) any suit in which the statute of limitations will expire within less than six (6) months. However, although not required, the association may agree to engage in alternative dispute resolution that is conducted simultaneously to litigation;

- (e) under the circumstances where litigation is ongoing, the Association shall not be required to engage in alternative dispute resolution procedures for new claims that may arise in conjunction with the litigation.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing policy and procedure was approved and adopted by the Executive Board of the Association, at a duly convened meeting, open to the members to attend, on December 22, 2015.

MCCORMICK RANCH ASSOCIATION, INC., a Colorado non-profit corporation

By: *Collin Sprau*
Name: Collin Sprau
Title: President

**McCORMICK RANCH ASSOCIATION
ANNUAL OWNERS MEETING MINUTES
318 ELK AVENUE SUITE 24, CRESTED BUTTE, COLORADO 81224
DECEMBER 21, 2016, 2PM MST**

In Attendance:

Jim Fisher – (For Wendy Fisher)
Scott Nelson – Via Telephone
Doug Hosier – Via Telephone
Colin Sprau – Via Telephone
Rob Harper – Toad Property Management, Inc

Rob Harper called the meeting to order at 2:30pm, confirming a quorum. Proof of Meeting Notice was sent November 3, 2016.

Manager's Report: Rob confirmed owners within McCormick Ranch would receive a Nordic season pass and should go by the Nordic Center to collect passes. Rob said there had been no sales during the past year and ownership of the Serra's two lots had separately designated as lot 7 in the name of Jeff and lot 6 in the name of Deanna. Rob said the entrance gate continued to be an issue and Rob agreed to obtain an estimate for running power from the nearest transformer box. Rob confirmed Lacy Construction had paid for the repair of the gate when Lacy equipment had damaged the gate.

Officer's Report: Nothing new to report.

Budget: Rob said additional funds had been spent on road maintenance and the road was in really good shape. Minimal road maintenance plus the application of mag chloride would be required in 2017. Rob explained the gate maintenance line item in the budget had been increased to \$2,500 and dues were \$2,500 per lot. Scott made a motion to approve the 2017 Draft Budget, Doug seconded the motion and with all in favor the Budget was approved.

Elections: Scott made a motion to appoint Colin to the Board for another 3 year term, Doug seconded the motion, all were in favor and the motion passed.

Meeting adjourned at 2:53 pm.

Rob Harper, Toad Property Management, Inc

**MCCORMICK RANCH ASSOCIATION, INC.,
a Colorado nonprofit corporation**

COLLECTION POLICY

The following Collection Policy was adopted on the 22nd day of December, 2015, by the Executive Board of McCormick Ranch Association, Inc., a Colorado nonprofit corporation ("Association") pursuant to §§ 38-33.3-209.5, 38-33.3-316 & 38-33.3-316.3, C.R.S., at a regular meeting of the Executive Board.

NOW, THEREFORE, BE IT RESOLVED that the Association hereby adopts its Collection Policy, which shall be effective on the 22nd day of December, 2015, as follows:

1. Assessments. For purposes of this Policy, "assessments" or "regular assessments" include regular and special assessments and any associated fees, charges, late charges, attorneys' fees, fines and interest. Assessments shall be paid in equal monthly, quarterly, semi-annual or annual installments, as determined by the Executive Board, on or before the tenth day of the month when such assessment is due. If an assessment is not paid by the 10th day of the month when the assessment is due, the assessment is delinquent.

2. Late fees & Interest. If the assessments become delinquent, a late charge of \$50.00 shall be assessed to the delinquent account. Delinquent assessments shall also bear interest at the rate of eighteen percent (18%) per annum from the date of delinquency until paid in full. The Association may also charge a \$50.00 fee for any returned check.

3. Prior to Referral to Legal Counsel. Prior to referring a delinquent account to the Association's legal counsel or to a collection agency, the Association shall mail the delinquent owner, via certified mail return-receipt requested, at the mailing address on file with the Association's managing agent, a notice of the delinquency that specifies:

- 3.1 The total amount due with an accounting of how the total was determined;
- 3.2 Whether the opportunity to enter into a payment plan exists pursuant to Section 4 below, and instructions for contacting the Association to enter into a payment plan;
- 3.3 The name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt; and
- 3.4 That action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Association:
 - (a) Referring the unit owner's delinquent account to the Association's attorney or a collection agency;
 - (b) Filing and foreclosing a lien against the unit owner's property;
 - (c) Filing a lawsuit against the owner;
 - (d) Applying for a court-ordered receivership over the property;and/or
 - (e) Initiating any other remedy or remedies available under Colorado law.

A sample Association delinquency notification letter is attached to this Collection Policy as **Exhibit "A"** for reference.

4. Payment Plans.

4.1 A unit owner is entitled to enter into a payment plan with the Association so long as the unit owner has not previously entered into a payment plan pursuant to this Collection Policy. If a unit owner has previously entered into a payment plan with the Association pursuant to this Collection Policy, the Association has discretion to permit such unit owner to enter into another payment plan, or pursue the legal remedies permitted under Colorado law for collection of delinquent Association accounts.

4.2 Any payment plan shall be offered in writing by the Association to the unit owner and shall permit the unit owner to pay off the delinquency in equal installments over a period of at least six (6) months. The six (6) month timeframe shall commence as of the date when the notice letter required by Section 3 above is mailed to the unit owner. The six (6) month offer by the Association to the unit owner is deemed to be the agreement among and between the unit owner and the Association, unless otherwise agreed in writing by the both parties. The unit owner must also remain current with regular assessments as they come due during the payment plan time period. A unit owner's failure to remit payment of an agreed-upon payment plan installment, or to remain current with regular assessments as they come due during the payment plan period, constitutes a failure to comply with the terms of the payment plan. If a unit owner fails to comply with terms of a payment plan, the Association may pursue the legal remedies permitted under Colorado law for collection of delinquent Association accounts.

5. Application of Payments. Payments received by the Association shall be applied in the following order, as may be applicable:

5.1 Attorneys' fees and legal costs and expenses;

5.2 Fines, late charges and interest;

5.3 Returned check charges and other costs owing or incurred with respect to such owner; and

5.4 Assessments due or to become due with application to the most long-standing delinquent assessment first.

6. Legal Remedies. In the event a unit owner does not comply with a payment plan or is not eligible for a payment plan, the Association may, pursuant to the Association's governing documents and Colorado law:

6.1 File a lawsuit by the Association against the delinquent owner;

6.2 File and foreclose a lien against the unit owner's property, but only if:

(a) The balance of the assessments and charges secured by the lien equals or exceeds six (6) months of common expense assessments based on a periodic budget adopted by the Association related to the subject unit; and

(b) The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. The Executive Board may not delegate its duty to act under this subsection to any attorney, insurer, manager, or other person, and any legal action filed without evidence of the recorded vote authorizing the action must be dismissed.

(c) Refer the delinquent account to the Association's attorney or a collection agency; and/or

(d) Apply for a court-appointed receiver of the subject property.

7. **Exceptions.** This Collection Policy does not apply if the unit owner does not occupy the unit and has acquired the unit as a result of:

7.1 A default of a security interest encumbering the unit; or

7.2 Foreclosure of an Association lien.

8. **Conflict of Laws.** In the event of a conflict between this Collection Policy and the Association's Declaration, Bylaws, or any other policy, rule or regulation of the Association, this Collection Policy shall control.

CERTIFICATION

The undersigned, as President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Collection Policy was adopted by the Association at a duly called and held meeting on the 22nd day of December, 2015, and in witness thereof, the undersigned has subscribed his or her name.

**McCormick Ranch ASSOCIATION, INC.,
a Colorado nonprofit corporation**

By: *Collin Sprau*
Collin Sprau, President

EXHIBIT A

NOTICE OF DELINQUENCY

Your assessments payable to the undersigned Association are delinquent.

A. The total amount due is \$_____, comprised of the following:

Assessments for _____	\$ _____
Late fees _____	_____
Interest _____	_____
Attorneys' fees _____	_____
Total _____	\$ _____

B. The opportunity exists to enter into a payment plan pursuant to § 38-33.3-316.3, C.R.S. To enter into a payment plan, contact Rob Harper at Toad Property Management, 318 Elk Avenue, Post Office Box 2776, Crested Butte, CO 81224; (970) 349-2773. Email: rob@toadpropertymanagement.com.

C. To obtain a copy of your ledger in order to verify the amount of the debt, contact the individual named in paragraph B., above.

D. Action is required to cure the delinquency and failure to do so within 30 days may result in your delinquent account being turned over to a collection agency, a lawsuit being filed against you, the filing and foreclosure of a lien against your property and/or other remedies available under Colorado law.

Signed this _____ day of _____, 201__.

McCormick Ranch Association, Inc.

By: _____
Rob Harper, Manager

MCCORMICK RANCH ASSOCIATION, INC. POLICY AND PROCEDURE REGARDING THE CONDUCT OF MEETINGS

Effective December 22, 2015

The following Policy and Procedure has been adopted by the Executive Board (“Board”) of McCormick Ranch Association, Inc. (“Association”) pursuant to Colorado statutes, regarding the Conduct of Meetings.

1. MEMBERS/OWNERS MEETINGS

- A. Meetings of the Members/Owners (“Members”) shall be held at such times and locations as may be provided in the Association’s Declaration, Bylaws, Articles of Incorporation, Rules and Regulations or policies or procedures (“Governing Documents”) or in applicable Colorado statutes, but at least once annually.
- B. Only Members in good standing are eligible to vote. For purposes of this policy, “good standing” shall mean all of the following: (i) ownership of a lot; (ii) no delinquent amounts due to the Association; (iii) no outstanding violation of any provision of any Governing Documents.
- C. Notice of Members meetings shall be distributed as provided in the Association’s Governing Documents or by applicable Colorado statutes.
- D. The Board shall determine the agendas for the meetings, subject to any requirements in the Governing Documents, and distribute such agendas with notices of the meetings.
- E. The President of the Board or such other person as may be designated by the Board shall preside over all meetings.
- F. Decisions must be presented by Motion and such Motion seconded, prior to discussion.
- G. Any person not in compliance with the following rules of conduct may be ejected from the meeting:
 - 1. No one may speak until called upon by the chairperson;
 - 2. Only one person may speak at a time;
 - 3. Personal attacks and abusive language are prohibited; and
 - 4. Only the individual presiding over the meeting may interrupt a speaker and then only for purposes of limiting the time of the discussion, preventing personal attacks or abusive language, or keeping the discussion on topic.

- H. Voting by Members to fill positions on the Board shall be by secret ballot, unless the election is uncontested (there is no more than one nominee for each position available). Any other matter put before the assembly for a vote may be by any means acceptable to the assembly or by secret ballot if requested by 20% of the Membership present.
- I. Unless otherwise provided by the Governing Documents or by applicable Colorado statutes, the affirmative vote required for the election of Members of the Board shall be the candidates receiving the largest number of votes. Unless otherwise provided by the Governing Documents or by applicable Colorado statutes, the affirmative vote required for the passage of any other matter put before the assembly for a vote shall be a majority of those present (as defined by the Rules and/or Bylaws) and voting at this meeting.
- J. Written ballots may be used in lieu of any Member meeting.

2. BOARD MEETINGS

- A. Meetings of the Board shall be held at such times and locations as may be provided in the Governing Documents or by applicable Colorado statutes.
- B. Notice of Board Meetings shall be distributed as may be provided in the Governing Documents or by applicable Colorado statutes.
- C. The Board members or Managing Agent shall create agendas for Board meetings which shall be provided to owners requesting a copy.
- D. Board Meetings shall provide an opportunity for Owners to speak.
- E. The President of the Board or such other person as may be designed by the Board shall preside over the Board meetings.
- F. For each matter upon which the Board anticipates taking action, a motion must be made stating the proposed action, followed by discussion. Owners who are not Board members may participate in such discussion.
- G. At the conclusion of discussion, but prior to a vote on the motion by the Board members, any owner may be heard on the matter discussed.
- H. Board meetings shall be open to attendance by all members of the Association or their representatives.
- I. The members of the Board may hold an executive session and restrict attendance to only Board members and such other persons requested by the Board during a regular or special meeting for discussion of the following:

1. Matters pertaining to employees of the Association or the Managing Agent's contract or involving the employment, promotion, discipline or dismissal of an officer, agent or employee of the Association.
 2. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
 3. Investigative proceedings concerning possible or actual criminal misconduct;
 4. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
 5. Review of or discussion relating to any written or oral communication from legal counsel.
- J. Prior to holding an executive session, the President or other person designated to preside over the meeting shall announce the general matter of discussion as stated above.
- K. No Rule or Regulation or decision shall be adopted during an executive session. A Rule or Regulation or decision may be validly adopted only during a regular or special meeting or after the Board returns from its executive session.
- L. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.
- M. Written consents may be used in lieu of any meeting.
- N. Meetings may be by telephone.
- O. Any action which may be taken at a meeting of the Board may be taken without a meeting if a notice stating the action to be taken and the time by which a Board member must respond is transmitted in writing to each member of the Board; and each Board member, by the time stated in the notice votes in writing for such action.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing policy and procedure was approved and adopted by the Executive Board of the Association, at a duly convened meeting, open to the members to attend, on December 22, 2015 .

**MCCORMICK RANCH ASSOCIATION, INC., a
Colorado non-profit corporation**

By: *Collin Sprau*
Name: Collin Sprau
Title: President

**RESOLUTION OF THE BOARD OF DIRECTORS
MCCORMICK RANCH ASSOCIATION, INC. ADOPTING POLICIES AND
PROCEDURES REGARDING ENFORCEMENT**

SUBJECT: Adoption of policies and procedures regarding enforcement of the Declaration ("**Declaration**"), McCormick Ranch Association, Inc. (the "**Association**"), Articles of Incorporation ("**Articles**") and Bylaws ("**Bylaws**"), and any other policies and procedures (collectively, the "**Governing Documents**").

AUTHORITY: McCormick Ranch Declaration and any other Governing Documents of the Association and Colorado Revised Statutes, 38-33.3-101 et seq. (the "**Act**").

PURPOSE: To adopt policies and procedures with regard to the enforcement of the Governing Documents (the "**Policy**").

EFFECTIVE DATE: December 22, 2015

RESOLUTION: The Association adopts the following policies and procedures regarding Enforcement ("**Policy**"):

1. **Enforcement of Governing Documents.** Any complaint which alleges a violation of the Declaration or the Governing Documents against a lot owner shall be made in writing by the complainant and will contain substantially the same information as set forth in the Witness Statement attached hereto as **Exhibit A**. At a minimum, the complaint must set forth:

(a) The name and phone number of the complainant and, if the complainant is a lot owner, the lot number.

(b) The name and lot number of the alleged violator.

(c) The specific details or description of the alleged violation, including the date, time and location where the alleged violation occurred.

(d) A statement by the complainant that he or she will cooperate in the enforcement procedures and will provide testimony at any proceedings, hearings or trial which may be necessary.

(e) The signature of the complainant and the date on which the complaint is made.

2. **Notice of Violation.** The lot owner alleged to have caused or committed the violation must be notified of the complaint and alleged violation by the Association or by its manager. If the complaint is based on conduct of the lot owner's occupant or invitee, the lot owner

must notify such person of the alleged violation. The notification must be in a manner prescribed by the Board of Directors in a form similar to that which is attached hereto as **Exhibit B** ("**Notice of Violation**").

3. **Right to Hearing.** Any lot owner charged with an alleged violation of the Governing Documents is entitled to an opportunity for a hearing before an impartial decision maker. For purposes of this policy, "**Impartial Decision Maker**" means a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including its architectural requirements, and the other Governing Documents and do not have any direct personal or financial interest in the outcome which may include, without limitation, the Board of Directors or a committee, at the discretion of the Board of Directors. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. If the lot owner desires a hearing, the lot owner must proceed as follows:

(a) If the lot owner desires to have a hearing regarding the Notice of Violation, within fourteen (14) days after the Notice of Violation has been delivered to the lot owner, the lot owner must complete the Request for a Hearing form, which is attached to the Notice of Violation, and return it to the Association or its manager.

(b) If a request for a hearing is timely filed, a hearing on the complaint will be held before an Impartial Decision Maker. The hearing will be conducted no later than twenty-one (21) days after receipt of the Request for a Hearing, as determined by the Board of Directors.

(c) At any such hearing, the Impartial Decision Maker will hear and consider arguments, evidence or statements regarding the alleged violation. Following a hearing, the Impartial Decision Maker will issue its written determination regarding the alleged violation. The decision of the Impartial Decision Maker will be final and binding on the lot owner and Association.

(d) The lot owner shall have the right to appeal a decision made by the Impartial Decision Maker to the Board of Directors if the Impartial Decision Maker is other than the Board of Directors as set forth in the Bylaws.

(e) Notification of the Board's determination shall be made in a form similar to that which is attached as **Exhibit C**.

4. **Deemed Default.** If no Request for a Hearing is filed within fourteen (14) days by the Owner, a hearing will be considered waived, the allegations in the Notice of Violation is deemed admitted by default, and appropriate sanctions will be imposed at a meeting of the Board of Directors or a committee. The lot owner will be notified by the Association of any such determination using the same form and in the same manner as if a hearing had been conducted.

5. **Remedies of Association.** The Association, acting through the Board of Directors, may enforce all applicable provisions of and may impose sanctions for violation of the Governing Documents. Such sanctions may include, without limitation:

(a) imposing reasonable monetary penalties after notice and an opportunity to be heard has been given to the lot owner or other violator. A lot owner shall be responsible for payment of any fine levied or imposed against any person who is an invitee, owner or tenant of the lot;

(b) suspending a lot owner's right to vote;

(c) suspending any person's right to use any facilities within the common elements; provided, however, nothing in this Policy authorizes the Board of Directors to limit ingress or egress to or from a lot;

(d) exercising self-help of taking action to abate any violation of the Governing Documents in an emergency situation;

(e) requiring an lot owner, at the lot owner's expense, to remove any structure or improvement on such lot in violation of the Governing Documents and to restore the lot to its previous condition and, upon failure of the lot owner to do so, the Board of Directors or its designee has the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(f) without liability to any person, prohibiting any contractor, subcontractor, agent, employee or other invitee who fails to comply with the terms and provisions of the Governing Documents from continuing or performing any further activities at the lot;

(g) towing vehicles which are parked in violation of the Governing Documents;

(h) filing a suit at law or in equity to enjoin a violation of the Governing Documents, to compel compliance with the Governing Documents, to recover monetary penalties or money damages or to obtain such other relief as to which the Association may be entitled, including, without limitation recovery of all attorney fees and other out of pocket costs and expenses, with interest thereon, as permitted by the Act; and

(i) Recording a written notice of a violation by any lot owner of any restriction or provision of the Governing Documents. The notice must be executed and acknowledged by an officer of the Association and contain substantially the following information: (i) the name of the lot owner; (ii) the legal description of the lot against which the notice is being recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being recorded by the Association pursuant to this Policy; and (v) a statement of the specific steps which must be taken by the lot owner to cure the violation. Recordation of a "Notice of Violation" serves as a notice to the lot owner and to any subsequent purchaser of the lot that there is a violation of the provisions of the Governing Documents.

6. **Fines.** If a lot owner is found to have violated personally or is otherwise liable for a violation, the following with respect to the levying of fines shall occur:

(a) If found to be guilty of a first violation, the lot owner will be notified of the finding by the Association or its manager that a first violation has occurred. The first violation, at the discretion of the Board of Directors, may be considered a warning that if any further violations

occur a fine for the violation will be imposed. In the alternative, the Board of Directors may elect to assess a fine.

(b) If found to be guilty of a second or continuing violation, the Owner will be notified of the finding by the Association or its manager. The Owner will be assessed a fine.

(c) Where a fine is imposed, it will be in the amount of One Hundred Dollars (\$100) for a single incident of violation of a Governing Document, Two Hundred Dollars (\$200) for a second single incident of the same violation, and Five Hundred Dollars (\$500) for a third or subsequent single incident of the same violation; or in any case, the sum of Fifty Dollars (\$50) per day for a violation of a continuing nature. A FINE FOR A VIOLATION OF A CONTINUING NATURE WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE ASSOCIATION HAS CONFIRMED THE VIOLATION HAS BEEN CURED. LOT OWNER MUST PROVIDE THE ASSOCIATION OF NOTICE IF THE VIOLATION HAS BEEN CURED.

(d) If found to be guilty of any violation, including a first violation, the notice of determination may also require the lot owner to pay for any damage or any unauthorized condition on the property for which the lot owner has been found responsible, to pay the costs of any repairs which have previously been made or will be made by the Association, or to pay any legal expenses and costs incurred by the Association as a result of the violation. The cost of such inspection and any necessary repairs shall be assessed to the lot.

(e) All amounts required to be paid by an lot owner under this Policy will bear interest at the higher of the amount permitted by law or by 18% per annum until paid.

(f) Notwithstanding the foregoing, nothing in this Policy will be deemed to limit the Association's rights and remedies set forth in any of the other Governing Documents.

7. **Charges.** Any lot owner assessed under this Policy must pay any charges imposed within thirty (30) days of notification that such charges are due. Failure to make the payment on time shall subject the lot owner to all of the legal or equitable remedies necessary for the collection thereof, including, without limitation, the Association's right to assert a lien as an Assessment against the lot in accordance with the Act. All charges imposed in accordance with this Policy will be added to the lot owner's account and are collectible as an Assessment in the same manner as any regular or special assessment against the lot.

8. **Time of the Essence/Notices.** Time is of the essence of this policy. Notices are deemed delivered either:

(a) At the time of delivery if by personal delivery; or

(b) On the second business day after deposit in the United States Mail.

9. **Right of Action.** The Association on behalf of itself and any aggrieved lot owner is granted a right of action against any lot owner for failure to comply with the provisions of the

Governing Documents, or with decisions of the Board of Directors made pursuant to authority granted to the Association in the Governing Documents. In any action covered by this Section, the Association has the right to enforce Governing Documents by any proceeding at law or in equity, or as set forth in the Governing Documents, or by mediation or binding arbitration to the extent authorized by this Declaration or the Act. The prevailing party in any arbitration or judicial relief or other civil action shall be awarded from the non-prevailing party or parties, all reasonable costs and expenses, including attorneys' fees in connection with such arbitration or judicial relief, including interest as set forth in this Policy, on such amount until paid. Failure by the Association to enforce compliance with any provision of the Governing Documents shall not be deemed a waiver of the right to enforce any provision thereafter.

10. **Failure to Complete Maintenance.** In addition to any other enforcement rights, if a lot owner fails to properly perform its maintenance responsibility, or otherwise fails to comply with the Governing Documents, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the lot and the lot owner as an Enforcement Assessment.

11. **Lot Owner Not Responsible.** If, as a result of the fact finding process described in this Policy, it is determined that the lot owner should not be held responsible for the alleged violation, the Association will not allocate to the lot owner's account with the Association any of the Association's costs or attorney fees incurred in asserting or hearing the claim. If it is determined that the allegations were arbitrary or capricious, the complainant will be responsible for the Association's costs or attorney fees incurred related to the claim.

12. **Cumulative Remedies.** All remedies set forth in the Governing Documents are cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party will be awarded all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action. The amount of any such attorneys' fees, court costs and interest constitute a lien against the lot owner's lot that may be foreclosed in accordance with applicable law.

The decision to pursue enforcement action in any particular case is at the Board of Directors' discretion. Such a decision shall not be construed as a waiver of the Association's right to enforce such provisions at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

13. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

14. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

15. **Inconsistencies.** If and to the extent that any provision of these Policies are inconsistent with the Declaration the applicable provisions of the Declaration prevail, unless other required by the Act.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting on December 22, 2015.

MCCORMICK RANCH ASSOCIATION, INC., a Colorado non-profit corporation

By: *Collin Sprau*
Name: Collin Sprau
Title: President

EXHIBIT A
TO ENFORCEMENT POLICY FOR
MCCORMICK RANCH ASSOCIATION, INC.
VIOLATION COMPLAINT - WITNESS STATEMENT

PLEASE PRINT OR TYPE. Complete all the information you know. If unknown, please state so.
Attach additional sheets if necessary.

INFORMATION CONCERNING WITNESS(ES) TO VIOLATION

<hr/> Reporting Witness Name	<hr/> Date
<hr/> Lot #	<hr/> Area Code - Phone number

ADDITIONAL WITNESSES

<hr/> Name & Address	<hr/> Area Code - Phone Number
<hr/> Name & Address	<hr/> Area Code - Phone Number

INFORMATION CONCERNING THE VIOLATOR

<hr/> Violator's Name	<hr/> Area Code - Phone Number
<hr/> Lot #	

Owner's Name, Address & Phone No. if different than the Violator.

INFORMATION CONCERNING THE VIOLATION

<hr/> Violation Date	<hr/> Time	<hr/> Location
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Section(s) of Declaration, Bylaws or Rules that was

violated Reporting Witness' Observations:

Were any photographs or sound recordings made? Yes _____ No _____ By whom?
_____ Include any audio or videotapes or photographs with this form or forward as soon
as possible. Include the name of the person who made the tape or photograph(s), the date it was
made, the location it was made and the name of anyone else who was present.

I HAVE MADE THE ABOVE STATEMENTS BASED ON MY PERSONAL KNOWLEDGE AND NOT UPON WHAT HAS BEEN TOLD TO ME. I WILL FULLY COOPERATE WITH THE ASSOCIATION AND ITS ATTORNEYS TO PROVIDE ADDITIONAL STATEMENTS OR AFFIDAVITS, AND IN THE EVENT A HEARING OR TRIAL IS NECESSARY, I WILL _____ WILL NOT _____ APPEAR TO TESTIFY AS A WITNESS.

Signature

EXHIBIT B
TO ENFORCEMENT POLICY FOR
MCCORMICK RANCH ASSOCIATION, INC.

TO: _____
(Owner/Tenant)

Date: _____

NOTICE OF VIOLATION

Re: Violation of Declaration, Bylaws or Rules and Regulations

You are hereby notified, as the Owner/Tenant of the Lot # _____ at McCormick Ranch, _____, Colorado that you violated the Association's Declaration, Bylaws or Rules and Regulations. The actions complained of occurred on or about _____, 20____ and are described as follows:

UNDER THE ASSOCIATION'S RULES, IF YOU FAIL TO REQUEST A HEARING WITHIN 14 DAYS OR FAIL TO APPEAR AT A HEARING ON THESE CHARGES, YOU WILL BE FOUND GUILTY BY DEFAULT, AND FINES, CHARGES, COSTS, EXPENSES AND LEGAL FEES MAY BE ASSESSED AGAINST YOU AND ADDED TO YOUR MONTHLY ASSESSMENT.

YOU MAY AVOID THE PROPOSED SANCTION BY CURING THE VIOLATION WITHIN 7 DAYS OF THE DATE OF THIS NOTICE.

IF A VIOLATION EXISTS, WHICH HAS NOT ALREADY BEEN CORRECTED AND YOU FAIL TO MAKE AN APPROPRIATE CORRECTION, THE ASSOCIATION MAY CORRECT THE VIOLATION AT YOUR EXPENSE.

Please consult the Association's rules for further details.

You may request a hearing by signing, dating and returning the attached Request for a Hearing form within 14 days to the Association at the address below.

Very truly yours,

MCCORMICK RANCH ASSOCIATION, INC.

By: _____
Title: _____

Address

City, State, Zip

Area Code and Phone #

EXHIBIT B-2
TO ENFORCEMENT POLICY FOR
MCCORMICK RANCH ASSOCIATION, INC.

REQUEST FOR A HEARING

I hereby request a hearing on the statements made against me as contained in the Notice of Violation dated_____, 20__ alleging a violation of the Declaration, Bylaws or Rules of McCormick Ranch.

Lot Owner/Resident's Name (printed)

Address

City, State, Zip

Area Code and Phone #

Signature

Date

EXHIBIT C
TO ENFORCEMENT POLICY FOR
MCCORMICK RANCH ASSOCIATION, INC.

TO: _____
(Owner/Tenant)

Date: _____

NOTICE OF DETERMINATION REGARDING VIOLATION

On _____ 20____ you were notified of a violation of the Declaration, Bylaws, or Rules of the Association. Pursuant to the Association rules:

- ☐ A hearing was held at your request regarding the alleged violation.
- ☐ You have admitted to the violation by default and waived your right to request a hearing. After considering the complaint and evidence, the following determination has been made and the following action(s) will be taken:
- ☐ You were found not guilty and no action will be taken.
- ☐ A 1st, 2nd, 3rd or subsequent violation (circle one) of the Association Declaration, Bylaws or Rules has occurred and a fine in the amount of \$_____ is now due.
- ☐ A violation of the Association's Declaration, Bylaws or Rules of a continuing nature has occurred and a fine in the amount of \$_____ per day from _____, 20__ is now due. A FINE FOR A CONTINUING VIOLATION WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE ASSOCIATION HAS BEEN NOTIFIED.
- ☐ Damages & expenses in the amount of \$_____ have accrued and are due.
- ☐ Legal expenses in the amount of \$_____ have been incurred by the Association and are due.
- ☐ Damages have occurred or an architectural violation exists, as charged in the complaint. The Association will proceed to have the damages or violation corrected or repaired at your expense.
- ☐ As a result of a second or subsequent violation, we have instructed our attorneys to inform you that legal proceedings will be instituted if further violations occur, and the fees and expenses incurred will be assessed to you.

MCCORMICK RANCH ASSOCIATION, INC.

By: _____
Name: _____
Title: _____

**RESOLUTION OF THE BOARD OF DIRECTORS
MCCORMICK RANCH ASSOCIATION, INC. POLICY AND PROCEDURE FOR
INSPECTION AND COPYING OF ASSOCIATION RECORDS**

SUBJECT: Adoption of policies and procedures for the inspection and copying of McCormick Ranch Association, Inc. ("**Association**") records by Owners and retention of Association permanent records.

PURPOSE: To adopt policies regarding an Owner's right to inspect and copy Association records and identification of records to be permanently retained by the Association and to adopt standard procedures to be followed when an Owner chooses to inspect or copy Association records (collectively, the "**Policy**").

AUTHORITY: McCormick Ranch Declaration and any other Governing Documents of the Association and Colorado Revised Statutes, 38-33.3-101 et seq. (the "**Act**").

EFFECTIVE DATE: December 22, 2015

RESOLUTION: The Association adopts the following Policy:

1. **Required Records.** The Association, through its manager, will keep records and make the records available to all owners of a lot in the Association ("**Owner**") in conformance with the Governing Documents and applicable law. The Association, through its manager, if any, will keep the following records:

(a) An account for each Owner, which designates the name and address of each Owner, the amount of each Assessment, the dates on which each Assessment comes due, any other fees payable by the Owner, the amounts paid on the account and the balance due;

(b) Detailed records of receipts and expenditures affecting the operation and administration of the Association;

(c) Records of claims for construction defects and amounts received pursuant to settlement of those claims;

(d) Minutes of all meetings of its Owners and executive Board of Directors, a record of all actions taken by the Owner or executive Board of Directors without a meeting, and a record of all actions taken by any committee of the executive Board of Directors;

(e) Written communications among, and the votes cast by, executive Board of Directors members that are: (I) directly related to an action taken by the Board of Directors

without a meeting pursuant to Section 7-128-202, C.R.S.; or (II) directly related to an action taken by the Board of Directors without a meeting pursuant to the Association's bylaws;

(f) The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each lot owner is entitled to vote;

(g) Its current declaration, covenants, bylaws, articles of incorporation, rules and regulations, responsible governance policies adopted pursuant to Section 38-33.3-209.5, and other policies adopted by the executive Board of Directors

(h) Its most recent annual financial statements, if any, and its most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations for the past three years and tax returns of the Association for the past seven years, to the extent available;

(i) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board of Directors and officers;

(j) Its most recent annual report delivered to the secretary of state;

(k) Financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316(8) concerning statements of unpaid assessments;

(l) The Association's most recent reserve study, if any;

(m) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;

(n) Records of executive Board of Directors or committee actions to approve or deny any requests for design or architectural approval from Owner;

(o) Ballots, proxies, and other records related to voting by Owner for one year after the election, action, or vote to which they relate;

(p) Policies adopted by the Board of Directors of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members; and

(q) All written communications within the past three years to all Owners generally as Owner.

2. **Inspection/Copying Association Records.** An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:

(a) The inspection and/or copying of the records of the Association shall be at the Owner's expense or the Association may charge a fee for copying costs not to exceed its actual cost in accordance with Section 6 of this Policy;

(b) The inspection and/or copying of the records of the Association shall be conducted by appointment during the regular business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, at the offices of the Association's managing agent or other locations as shall be determined by the Board from time to time;

(c) The Owner shall give the Association a written demand, stating the purpose for which the inspection and/or copying is sought, at least 10 days before the date on which the Owner wishes to inspect and/or copy such records;

(d) The Owner may be required to complete and sign an agreement such as the one attached hereto-titled "Agreement Regarding Inspection of Association Records" prior to the inspection and copying of any Association record. Failure to properly complete or sign the Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association;

(e) The Association is not obligated to compile or synthesize information; and

(f) A right to copy records under this section includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by the Owner.

3. **Proper Purpose/Limitation.** A list of memberships in the Association records shall not be used by any Owner for:

(a) Any purpose unrelated to an Owner's interest as an Owner without the written consent of the Board of Directors;

(b) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;

(c) Any commercial purpose;

(d) For the purpose of giving, selling, or distributing such Association records to any person; or

(e) Any improper purpose as determined in the sole discretion of the Board of Directors.

4. **Exclusions.** Records maintained by an Association may be withheld from inspection and copying to the extent that they are or concern:

(a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;

(b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;

(c) Communications with legal counsel that are protected by the attorney-client privilege or the attorney work product doctrine;

(d) Disclosure of information in violation of law;

(e) Records of an executive session of an executive board.

5. **Mandatory Exclusions.** Records maintained by an Association are not subject to inspection and copying, and must be withheld, to the extent that they are or concern:

(a) Personnel, salary, or medical records relating to specific individuals; or

(b) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

6. **Fees/Costs.** Any Owner requesting copies of Association records is responsible for all actual costs incurred by the Association. The Association may require a deposit equal to the anticipated actual cost of the requested records. The Association may impose a reasonable charge, which may be collected in advance to cover the costs of labor and material, for copies of association records. The charge may not exceed the estimated cost of production and reproduction of the records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. Failure to pay such deposit shall be valid grounds for denying Owner copies of such records.

7. **Inspection.** The Association or its manager reserves the right to have a third party present to observe during any inspection of records by an Owner or the Owner's representative at the Owner's sole cost and expense.

8. **Original.** No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any permanent manner, any original book or record of the Association.

9. **Creation of Records.** Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

10. **Miscellaneous Fees.** Owners may be charged a fee for services or materials. The services, materials and related fees that may be charged shall not exceed:

Transfer Fee:	\$250.00
Association Assessment Certification:	\$50.00
Expedited Certification:	\$100.00

11. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, in this Policy have the meanings given to them in the Declaration.

12. **Supplement to Law.** The provisions of this Policy are in addition to and in supplement of the terms and provisions of the Declaration and the Act.

13. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

14. **Inconsistencies.** If and to the extent that any provision of this Policy is inconsistent with the Declaration or Bylaws, the applicable provisions of the Declaration or Bylaws prevail, unless other required by applicable law.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on December 22, 2015 and in witness thereof, the undersigned has subscribed his/her name.

MCCORMICK RANCH ASSOCIATION, INC., a Colorado non-profit corporation

By: *Collin Sprau*
Name: Collin Sprau
Title: President

**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS OF THE
MCCORMICK RANCH ASSOCIATION, INC.**

I have requested to inspect and/or obtain copies of the following records of the McCormick Ranch Association, Inc. (be as specific as possible):

The records shall be used for the following purpose(s) only: _____

I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

- (a) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (b) used for any commercial purpose;
- (c) sold to, otherwise distributed to, or purchased by any person;
- (d) any other purpose prohibited by law; or
- (e) any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association or its managing agent, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner any original book or record of the Association.

Understood and agreed to by:

Owner

Date: _____

Owner

Date: _____

Address

Accepted by the Association:

Date: _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MCCORMICK RANCH ASSOCIATION, INC. REGARDING POLICY FOR
RESERVE STUDIES**

SUBJECT: Adoption of a policy for conducting reserve studies ("**Policy**") for the McCormick Ranch Association, Inc. ("**Association**").

PURPOSE: To adopt a policy for conducting reserve studies.

AUTHORITY: McCormick Ranch Declaration ("**Declaration**"), and any other Governing Documents of the Association and Colorado Revised Statutes, 38-33.3-101 et seq. (the "**Act**").

EFFECTIVE DATE: December 22, 2015

RESOLUTION: The Association adopts the Policy as follows:

1. **Scope.** The Association is empowered to levy Assessments pursuant to the Declaration and the Act. A portion of the Assessments include monies to be used for reserves. All Assessments that are permitted to be retained by the Association under the Act as reserves will be placed in an account held for the benefit of the Association (the "**Reserve Account**").
2. **Purpose of the Reserve Fund.** The purpose of the Reserve Account is to responsibly fund and finance the projected periodic maintenance, repair and replacement of the Common Elements and for such other funding as the Board of Directors may determine is necessary or appropriate.
3. **Review and Control.** The Board of Directors will review the Reserve Account investments periodically to ensure that the funds are invested safely and shall make prudent adjustments as needed.
4. **Reserve Study.** In order to determine funding of the Reserve Account, the Board may in its sole discretion, but shall not be obligated to, determine, with the assistance and advice of professionals, the life expectancy of those portions of the community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "**Reserve Study**").
5. **Review of the Reserve Study.** The Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, at least once every three years, to adjust and make changes in costs, inflation and yield on invested funds, plus modification, addition or deletion of components. An internal Reserve Study may satisfy the Reserve Study obligation.
6. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

7. **Inconsistencies.** If and to the extent that any provision of this Policy is inconsistent with the Declaration or the Act, the applicable provisions of the Declaration or the Act will prevail, unless otherwise required by applicable law.

8. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances

9. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the Act.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board, on behalf of the Association, at a duly called and held meeting of the Board on December 22, 2015 and in witness thereof, the undersigned has subscribed his/her name.

MCCORMICK RANCH ASSOCIATION, INC., a Colorado non-profit corporation

By: *Collin Sprau*
Name: Collin Sprau
Title: President

MCCORMICK RANCH ASSOCIATION, INC. POLICY AND PROCEDURE INVESTMENT OF RESERVE FUNDS

Effective December 22, 2015

The following Policy and Procedure has been adopted by the Executive Board (“Board”) of McCormick Ranch Association, Inc. (“Association”) pursuant to Colorado statutes, for investment of the Association’s Reserve Funds.

PURPOSE

The purpose of this policy is to institute proper guidelines for the ongoing management of the Association’s investment of its reserve funds.

INVESTMENT OBJECTIVES

This policy is designed to protect and preserve reserve funds for maintenance, repair and replacement of those items for which the Association is responsible and that must be periodically maintained, repaired or replaced. Reserve funds are to be invested in a manner that assures maximum safety and appropriate liquidity and, secondarily, maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:

1. Preservation and safety of principal;
2. Liquidity to meet expected and unexpected expenditures; and
3. Maximization of yield.

INVESTMENT RESPONSIBILITIES

The Board has sole authority to approve and amend, alter or otherwise make changes to this Policy. Any modifications to this policy shall be in writing and approved by the Board.

The Board shall have direct control with regard to opening appropriate bank accounts and establishing safekeeping accounts or other arrangements for the custody of securities and execute such documents as may be necessary. The Board may employ the service of a qualified investment advisor to direct a portion or all of the investment activities of the Association consistent with guidelines set forth in this investment policy.

The Board will monitor ongoing investment activities to ensure property safety and liquidity are being provided and that the investment strategy is consistent with the Association’s objectives. The Board of Directors shall review investment performance no less than quarterly.

INVESTMENT GUIDELINES

- A. Eligible Investments

The portfolio will be limited to the following investments:

1. Certificates of deposit (CDs);
2. Money market deposit accounts;
3. Money market funds; and
4. U.S. treasuries and U.S. treasury zero coupons.

B. Credit Quality Restrictions

All investments shall be AAA-rated or U.S. Treasury securities

C. Maturity Limits

1. No individual investment may exceed 2 years in maturity; and
2. The weighted average maturity of the portfolio will not exceed 1 year. The Association must structure its investment portfolio in order to meet anticipated cash requirements.

D. Strategy

Investments shall be structured so they mature in successive years for liquidity.

E. Custodian

Investments will be held in custodial accounts with approved banks or financial institutions federally insured either through FDIC or the US Government, with no more than \$100,000.00 held in any one bank.

PROCEDURES

1. Transfers of budgeted additions to reserves shall be made at least quarterly;
2. A quarterly report of earnings shall be prepared by management, financial advisor or the treasurer and presented at a Board meeting;
3. Two Board member signatures must be required to withdraw funds from investment accounts. An exception may be made for transfers between accounts of the Association so long as both accounts require two Board member signatures for withdrawals of funds; and
4. In addition to any requirements provided by the Association's governing documents, the Association shall obtain coverage by fidelity insurance to protect the Association from loss due to theft for any person with access to its investments.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing policy and procedure was adopted by the Executive Board of the Association, at a duly convened meeting, open to the members to attend, on December 22, 2015 .

MCCORMICK RANCH ASSOCIATION, INC., a Colorado non-profit corporation

By: *Collin Sprau*
Name: Collin Sprau
Title: President

MCCORMICK RANCH ASSOCIATION, INC.

POLICY AND PROCEDURE REGARDING PERSONAL INTEREST MATTERS

Effective: February 27, 2020

The following Policy and Procedure regarding personal interest matters involving members of the Board ("Board Members") has been adopted by the Executive Board ("Board") of The McCormick Ranch Association, Inc. ("Association") pursuant to Colorado statute.

1. As used herein a "Personal Interest Matter" is an issue or other matter, not affecting all Association members as a group, involving an individual Board Member or an individual Board Member's Lot in the McCormick Ranch.
2. No Board Member shall participate in Board consideration of a Personal Interest Matter affecting such Board Member.
3. If the remaining Board Members are unable to reach a decision regarding the Personal Interest Matter, the Personal Interest Matter shall be resolved by a majority vote of all Association members who do not have a Personal Interest, in which event the Association shall circulate the plans and/or relevant information to the other Lot Owners and schedule a meeting to be held within fourteen to twenty-eight days. A majority of the member votes cast at or prior to the meeting shall be required for decision.

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy and Procedure was approved and adopted by the Executive Board of the Association at a duly convened meeting, open to the members to attend, on February 25, 2020.

MCCORMICK RANCH ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: 

Name: Scott Nelson

Title: President