

**Santa Fe trail Ranch POA Owner's Education Session  
By-Laws Ballot Measures Presentation  
September 14<sup>th</sup> and 21<sup>st</sup> at the MOC**

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**SLIDE #1: Owner's Education: 2024 By-Laws Amendment Proposal Q & A**

**SLIDE #2: Welcome and Introductions – Please Sign In**

**SLIDE #3: Agenda**

**SLIDE #4: Session Conduct**

1. Rules – Respect and decorum need to be maintained throughout the meeting. You may disagree with what you hear or have other issues you would like to bring up, but you must express your questions and concerns respectfully. We will do our best to answer your questions. If you are disruptive and disrespectful, you will be asked to leave. If you refuse to leave, the meeting will be stopped, and everyone will be asked to leave.
2. This is a discussion about the update to the POA's By-Law and changes thereto. This is not a forum for discussion about anything other than the By-Laws and updated thereto.
3. Documents to be Reviewed:
  - a. "Other" Changes Memo Review
  - b. Updated By-Laws Review
  - c. Ballot measures Review
  - d. Discussion about changes made due to compliance with State Statutes.

**SLIDE #5: Owner's Education: Governance Document Amendments**

CCR proposals were presented in two sessions prior to the finalizing of the document; scheduling conflicts prevented the GDRC from holding the Owner's Education concerning changes to the By-Laws prior to the Bylaws finalization and mailing. Our inability to offer these Owner Education sessions prior to the mailing lead us to add a "Rationale" statement to each ballot measure. This session is being offered as a platform to share with you the process and final product for which we are asking your approval. We will entertain questions as we go along but we do hope that our presentation will clarify any questions you have about the 2024 proposed amendments to the SFTR POA By-Laws.

**SLIDE #6: Initial Charge**

In 2022 the GDRC was established with the task of reviewing our governing documents and providing our proposed changes to the BoD for approval and subsequent ballot measures. Changes and corresponding ballot proposals were indeed presented to the

BoDs. Most were approved, some were modified, and some were disapproved. The proposed amended CCRs were, and Bylaws are now being presented to the Owners for your vote.

#### **SLIDE #7: Initial GDRC Committee**

The GDRC was initially composed of seven members with one member being a Board of Director. Two members subsequently resigned due to personal reasons, one member is no longer a property owner, and one member simply quit attending or communicating. This left three members with two of the members eventually being appointed or elected to the BoD, thus the Bylaws effort was accomplished by three sitting BoD members.

#### **SLIDE #8: The Process**

We decided early on that the Articles of Incorporation are really the founding document of the Santa Fe Trail Ranch and thereby required no rewrite. Thus, we began with updating the CCR's, which were approved by owner vote during the Special Owner's Meeting held on June 1<sup>st</sup> of this year. We immediately then moved on to the By-Laws, which we are reviewing with you here today.

The revisions to the By-Laws are intended to update and replace the original By-Laws from June 1990 when the Ranch was originally established. Please think about this for a moment, our current By-Laws are over 34 years old. I can only imagine the amount of POA related laws that have been passed since then by the Colorado General Assembly. In addition to the ballot measures that you will be asked to vote on and that we will review with you today, there are several other changes that have been made that we will also explain.

Our review process started with a detailed reading of all our governing documents including our Articles of Incorporation, By-Laws and CCR's. In addition, we did a thorough read of the State of Colorado Statutes that apply to our community, including The Colorado Revised Nonprofit Corporation Act (the "CNCA") and the Colorado Common Interest Ownership Act (the "CCIOA"), as well as various other reference materials and comparative searches of other communities' documents. This was literally hundreds of pages of reading, re-reading and countless hours of review to do our best at developing a comprehensive set of updated documents.

The process was a continual evolution of drafts and reviews and revisions among the committee members along with several review sessions with the board of directors over several years. In the end, all suggestions that were brought up by the committee in our research along with all the suggestions from the property owners were considered, discussed, debated, and if agreed upon, were incorporated into the documents that have been or are being presented for your consideration.

To be clear, not all suggested items ended up in the final versions of these documents, but we did present all suggestions to the board for possible inclusion in these documents, and all suggestions were debated and either improved, modified or rejected based on their merits or potential for unintended consequences by inclusion. In the end, we believe we have developed comprehensive documents for your consideration.

We also want to make it clear that over the past several years, consistent updates of our progress with expected timelines have been routine agenda items of our regular board meetings.

#### **SLIDE # 9: Governance Documents**

This slide is offered as a reminder of our three primary governance documents. They are presented in order of precedence.

#### **SLIDE #10: Documents to aid in your review of the By-laws ballot measures**

1. Ballot Mailing.
  - a. Instructions provided in your ballots provided additional information along with instructions on how and where to find the referenced documents on the official website.
  - b. Letter explaining “Other” changes to the Updated By-Laws. This memo was provided to assist Owners in understanding the changes to the By-Laws that were made that we believe do not require a vote of the Owners and why.
  - c. Ballot Measures. This will be the form that you make “Yes” or “No” and return in your secret ballot envelope.
2. Original By-Laws from 1990. These are the original By-Laws that have been in place for the POA and are posted on the Official Website. They can be used to compare the current By-laws to the Updated By-Laws. The references in the Updated By-Laws to original By-Laws are noted in the Updated By-Laws in parenthesis in the new clause. As ample, on page 1 of the Updated By-Laws, the title of the second paragraph is shown as (Formerly 9.7) Document Conflict. This means that this clause is an exact copy of Clause 9.7 from the original By-Laws.
3. Updated version of the 2024 AMEMDED AND RESTATED BY-LAWS. This is the complete 16 page version of the Updated By-Laws that can be found on the Owner’s section of the Official Website. You must sign on as an Owner to access this document and
4. CNCA and CCIOA Citations - If you want more information on the referenced sections from CNCA (Title 7 CRS) or CCIOA (Title 38 CRS), you can do an internet search specifying the clause number and read the detailed text there.

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#### **SLIDE #11: Changes Not Requiring Owner Vote** From the “Other” Changes Memo

In addition to the ballot measures herein outlined, there have been several changes made to improve the By-Laws that fall under the following categories that have not been presented for Owner voting:

- Language added for clarification
- Typographical errors or incorrect word usage that has been corrected
- Various titles added or updated to improve readability

- Several sections have been reorganized to improve flow and readability
- Changed references from Member(s) or member(s) to Owner(s) to be consistent with the CCRs
- Capitalization of all references from director(s) to Director(s) to be consistent with CCRs
- Changed any references from POA to Association to be consistent with the CCRs
- Anything that was specific to the Baldwins during the original formation of the Ranch have been adjusted to eliminate said references as these references are no longer relevant

It is important to state that we believe that none of these changes have any impact on the original intent of the By-Laws.

#### **SLIDE #12: Changes in Colorado State Law**

In addition, there have been a number of changes as noted in the parenthetical statements within the affected clauses that have been specifically updated to comply with updated state of Colorado statutes (primarily CCIOA). Many things have been updated over the years which affect the parameters with which we must operate our Association. These updates invalidated several of the clauses in the original By-laws and have been updated to reflect the updated statutes. These changes are mandatory and therefore do not require an Owner vote to incorporate.

#### **SLIDE #12: Pre-1992 Property Owner's Association**

To further complicate things, we are a pre-1992 POA under CCIOA and therefore many of the clauses of CCIOA do not apply to our Association, while most do. We have attempted to ensure that all appropriate clauses for our Association have been incorporated into these Updated By-Laws where appropriate without over complicating the document. Since CCIOA continues to be updated and modified annually by the state legislature, we attempted to remove any references to specific clauses in those statutes since they are subject to change by the state without notice.

The above explanation is provided to help Owners understand the difficulty in updating the By-Laws and to separate out what we believe are updated clauses that require Owner ballot measures while updating what is either required by state statute or are considered minor changes that do not affect the intent of the original By-Laws.

#### **SLIDE # 13: Updated By-Laws Review – Summary of Select Sections and Clauses:**

**SLIDE # 13: Page 1 – PREAMBLE** – this section was added as an introduction to the By-laws. We incorporated Sections 9.7 and 9.5 from the Original By-Laws and added some language for clarification.

**SLIDE # 13: Page 2 – TABLE OF CONTENTS.** This is added to aid Owner's in finding sections in the document.

**SLIDE # 13: Page 3 – ARTICLE I – DEFINITIONS.** This section had only minor word clean up. And Additional definitions added as appropriate.

**Page 3 – ARTICLE II – OFFICES.** This section is unchanged.

**Page 3 – ARTICLE III – GOVERNANCE DOCUMENTS.** This section was added for informational purposes only and does not require a vote.

**SLIDE # 13: Page 4 – ARTICLE IV – MEMBERSHIP.** This section was added for informational purposes only and does not require a vote.

**Page 4 – ARTICLE V – MEETINGS OF OWNERS.** A title and other language was added for clarification, language was updated to be consistent with CNCA and CCIOA statutes and language added to document process followed.

**SLIDE # 13: Page 5 – ARTICLE VI – BOARD OF DIRECTORS**

1. Clause 6.1 was formerly 4.1 and replaced here with clause 8.6.1 of the CCR's. This was done to move the Board of Directors specific clauses from the CCR's to get all Board-related clauses into the By-Laws where we believe they fit better. This is a ballot measure to approve moving those clauses from the CCR's to the By-Laws.
2. Clauses 6.2 through 6.5 were simplified and clarified.

**SLIDE # 14 Page 6 – ARTICLE VII – BOARD OF DIRECTORS DUTIES, POWERS, AND CONFLICT OF INTEREST**

1. Clauses 7.1 through 7.3 are moved but unchanged from other areas of the original By-Laws.
2. Clause 7.4 is a new clause and is a ballot measure for Owner consideration.
3. Clause 7.5 is moved from Clause 8.6 of the CCR's. This was done to move the Board of Directors specific clauses from the CCR's to get all Board-related clauses into the By-Laws where we believe they fit better. This is a ballot measure to approve moving those clauses from the CCR's to the By-Laws.
4. Clause 7.6 is a new clause and is a ballot measure for Owner consideration.
5. Clause 7.7 is moved from Clause 8-6 of the CCRs. This was done to move the Board of Director specific clauses from the CCRs to get all Board-related clauses into the By-Laws where we believe they are a better fit. This is a ballot measure to approve moving those clauses from the CCRs to the By-Laws.

**SLIDE # 15: Page 10 – ARTICLE VIII - MEETINGS OF BOARD OF DIRECTORS.**

Clauses 8.1 through 8.4 were moved from the original By-Laws with some added language for clarification.

Clause 8.5 is a new clause and is a ballot measure for Owner consideration.

Clauses 8.6 through 8.12 were moved from the original By-Laws with some added language for clarification.

**SLIDE #15: Page 12 – ARTICLE IX- OFFICERS.**

- i. Clauses 9.1 through 9.6 were moved from the original By-Laws with some added language for clarification, with additional clauses added for clarification.

**SLIDE #16: Page 13 – ARTICLE X – COMMITTEES**

- ii. Clause 10.1 was moved from the original By-Laws with some added language for clarification.

**SLIDE # 16: Page 14 – ARTICLE XI – INDEMNIFICATION OF BOARD OF DIRECTORS**

This section was moved from the original By-Laws with a reference to the original ranch information that is no longer valid.

**SLIDE # 16 Page 14 – ARTICLE XII – MISCELLANEOUS.**

Clause 12.1 was moved from the original By-Laws

Former clause 9.2 was eliminated as no longer valid in the State of Colorado.

Clause 12.2 was moved from the original By-Laws with some added language for clarification.

Clause 12.3 was moved from the original By-Laws and updated to be compliant with CCIOA and to address the issue of not being able to find a firm to do our Review who is qualified, available and/or willing to do it for a reasonable fee. This is consistent with CCIOA, but we need to reiterate that we are not opposed to having a Review, but we are unable to do so at this time. To compensate for this, we have expanded the level of detail provided in our financial statements that are provided at each board meeting. Also, all Owners can review our financial statements at anytime by contacting the Treasurer and setting up a time to meet at the accounting office.

Clauses 12.4 through 12.6 were moved from the original By-Laws.

**SLIDE # 17: Page 15 – ARTICLE XIII – ASSESSMENTS**

This section was updated to be compliant with CCIOA.

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**SLIDE # 18: Ballot Measure # 1 – Moving of Section 8.6 of the CCRs to the By-Laws**

Moving management related items

**SLIDE # 19: Ballot Measure # 2 – Establishing Board Member Qualifications**

Ownership Requirement

**SLIDE # 20: Ballot Measure # 3 – Establishing Board Member Qualifications (Continued)**

Good Standing

**SLIDE # 21: Ballot Measure # 4 – Establishing Board Member Qualifications (Continued)**

Legal Capacity

**SLIDE # 22: Ballot Measure # 5 – Establishing Board Member Qualifications (Continued)**

General Conflict of Interest

**SLIDE # 23: Ballot Measure # 6 – Establishing Board Member Qualifications (Continued)**

Commitment to Serve

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**SLIDE # 24: Ballot Measure # 7 – Establishing Board Member Dis-Qualification**

Litigation against the Association

**SLIDE # 25: Ballot Measure # 8 – Establishing Board Member Dis-Qualification (Continued)**

Definition of Involvement in Litigation

**SLIDE # 26: Ballot Measure # 9 - Establishing Board Member Dis-Qualification (Continued)**

Disclosure Requirement

**SLIDE # 27: Ballot Measure # 10 – Establishing Board Member Dis-Qualification (Continued)**

Board Review and Decision

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**SLIDES # 28 - 30: Ballot Measure # 11 – Establishing Working Sessions**

Working Sessions of the Board of Directors

**SLIDE # 31: Summary and Discussion of Other Issues – From the Floor**

During the last 90 minutes the GDRC has attempted to share with you how the effort of reviewing and re-writing governance document came about. We have attempted to detail the initial make-up of this volunteer committee, provided the process from methodically reviewing the applicable existing documents of the SFTR, Las Animas County, and the State of Colorado. We also reviewed similar documents from other POA to identify “best practices”. At various stages of this effort, we briefed the SFTR Board of Directors making modifications to our recommendations; all this resulting in the product we are asking you to consider by way of your vote which will be counted during the Annual Owner’s Meeting on October 5<sup>th</sup> 2024.

This concludes our presentation today and we now open the floor for your comments and questions. We ask that you use the microphone as we have owners who are viewing this presentation virtually.

**FROM THE FLOOR**

Thank you for the time from your busy schedules to attend this session.