

**SECOND AMENDMENT TO THE FOURTH
AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF THE
BROWN RANCH ROADS MAINTENANCE ASSOCIATION**

This Second Amendment to the Fourth Amended and Restated Articles of Association of the Brown Ranch Roads Maintenance Association ("**Amendment**"), made effective as of December 22, 2022, is made by The Brown Ranch Roads Maintenance Association, Inc., a Colorado nonprofit corporation ("**Association**") for the purposes herein stated.

RECITALS

A. The Brown Ranch Roads Maintenance Association, Inc., a Colorado nonprofit corporation, acting by and through its Board of Directors ("**Board**"), currently exists in accordance with the following documents ("**Brown Ranch Governing Documents**"): (a) the Fourth Amended and Restated Articles of Association of the Brown Ranch Roads Maintenance Association, that were recorded with the Clerk and Recorder for San Miguel County, Colorado on October 22, 1999 in Reception No. 330013, including the First Amendment to the Fourth Amended and Restated Articles of Association of the Brown Ranch Roads Maintenance Association recorded on January 18, 2007 in Reception No. 389667, as may be further amended, restated and/or supplemented from time to time ("**Articles**"); (b) the Articles of Incorporation for the Association, as may be further amended, restated and/or supplemented from time to time; (c) the Second Amended and Restated Bylaws of The Brown Ranch Roads Maintenance Association, Inc., including the First Amendment to the Second Amended and Restated Bylaws of The Brown Ranch Roads Maintenance Association recorded on September 14, 2010, in Reception NO. 414308, as may be further amended, restated and/or supplemented from time to time ("**Bylaws**"); (d) the Amended and Restated Rules and Regulation ("**Rules**") that were duly adopted by the Association, as may be further amended, restated and/or supplemented from time to time; and (e) such other documents duly adopted by the Association.

B. The Brown Ranch Roads Maintenance Association, Inc., a Colorado nonprofit corporation, exists as an incorporated association under applicable Colorado law pursuant to its Articles of Incorporation filed with the Colorado Secretary of State, evidenced by Filing # 20061471358, and shall henceforth exist and operate as a nonprofit corporation in Colorado, governed by the Corporation Act.

C. As provided for in the Fourth Amended and Restated Articles, including the First Amendment, the Association is duly authorized and empowered to undertake the ownership,

governance, management, operation and maintenance of any and all private roads and related improvements, including, without limitation, certain ditches, landscaping, gates, fences, signage and the like in Brown Ranch (collectively the “**Association Roads and Facilities**”) that are intended to be owned, managed and maintained by the Association.

D. The Articles establish and define the “Property” that has been included within the Association (“**Association Property**”). The current Owners of Association Property are deemed to be members of the Association (“**Association Members**” or “**Members**”).

E. The Association, through the Association Members, has determined that the use of the Association Roads and Facilities by persons other than Association Members may result in unacceptable impacts on the Association Roads and Facilities. These negative impacts include, without limitation, concerns about maintaining restricted, secure use of the Association Roads and Facilities; additional traffic by users, increasing operational costs and expenses to the Association; impacts attributable to users’ lack of knowledge and familiarity with the rules and regulations governing the use of the Association Roads and Facilities; and resulting and unacceptable changes to the neighborly, residential character of the broader Brown Ranch community.

AMENDMENTS

The requisite percentage of Members have approved the within amendments to the Articles of Association, intending them to become effective upon the recordation of this Amendment.

A. The following new section 3.3 is hereby added to and included in the Articles of Association.

3.3 Requirements and Restrictions Concerning Use of Association Roads and Facilities on Member Property.

3.3.1 **Definitions.** For purposes of this Section 3.3, the following terms shall have the following meanings.

A. “**Campground**” means any formal or informal public or private park or real property where a Person may locate a tent, trailer, tent trailer, pick-up, camper, RV, yurt, or other similar temporary structure for the purposes of lodging, dwelling, or sleeping, whether or not water, electricity, or sanitary facilities are provided. A Campground shall

further mean and include any definition of a campground adopted from time to time by San Miguel County, Colorado regulating the camping in San Miguel County to the extent different from the above definition of Campground.

B. **"Improvement"** means any primary or secondary building or structure used for habitation, if any, lawfully constructed on a Lot pursuant to County laws and regulations and any applicable private covenants and restrictions.

C. **"Long-Term Rental"** means the use or occupancy of a Member Property for Rent to a Person for a period that exceeds 30 consecutive days whether allowed by written lease or oral arrangement.

D. **"Member Property"** means land owned by a Member that is included in the Association and any Improvements constructed thereon.

E. **"Person"** means an individual, group of individuals, partnership, limited liability company, corporation, trust, or any other legally established entity and/or any combination thereof. **"Person"** does not include an **"Association Member"**

F. **"Rent"** means any consideration (other than de minimus gratuities) given and/or received for the right to use and occupy the Member Property for any term. Consideration includes, without limitation, (i) any payment made by cash, credit or otherwise, (ii) any trade or exchange of property, (iii) any exchange of services, (iv) any forgiveness of debt or other obligation, or (v) any other transfer or exchange which the Board reasonably determines to constitute the payment of consideration as rent for the use and occupancy of the Member Property. Rent shall not include instances where a Member allows use and occupancy of their Member Property by guests for no consideration, provided that the intent is not to evade the limitations and restrictions contained herein.

G. **"Short-Term Rental"** means the use or occupancy of a Member Property for any purpose for which Rent is being paid or collected by a Person for a period of usage up to and including 30 consecutive days, whether such usage is managed and administered by the Member or through a management company.

H. **"Tenant"** means a person or party authorized to lease a Member Property pursuant to a lease for a Long-Term Rental.

3.3.2 **Short-Term Rental.**

A. Any Person using or seeking to use a Member Property for Short-Term Rental, as defined in 3.3.1.G, is prohibited from using any and/or all of the Association Roads and Facilities to gain access to the Member Property proposed for the Short-Term Rental except as allowed for herein.

B. The foregoing notwithstanding, the following activities are allowed and do not constitute the Short-Term Rental of a Member Property:

1. A Member, including the Member's family and guests, may use the Member Property for overnight accommodation and/or other customary residential uses, including a period of usage up to and including 30 consecutive days, provided that no consideration is being charged and/or collected for such usage;

2. A Member may lease the Member's Property for Long-Term Rentals as provided for in Section 3.3.3;

3. A Member is selling a home and wishes to accommodate a buyer who wants to stay in the residence prior to closing or the seller wishes to occupy the residence after closing.

C. Nothing herein is intended to limit or restrict a Member from using or leasing the Member's Property for agricultural purposes and upon such occurrence, the Member is not required to notify the Board of such intended usage.

D. During a calendar year, a Member may rent the Member's Property as a Short-Term Rental for two separate periods, provided that the Board is notified of such usage not less than three days prior to its commencement. In addition to this allowable usage, the Board may exercise its reasonable discretion to approve a waiver (**"Short-Term**

Rental Usage Waiver”), which has been requested by a Member seeking to allow their Member Property to be used for Short-Term Rental purposes by Persons otherwise restricted under this Section 3.3.2. The Board must approve any waiver in writing and in advance of the usage. The Member seeking Board approval of a Short-Term Rental Usage Waiver shall present the Board with information addressing the following: (i) how the Short-Term Rental would be compatible and consistent with the residential nature of the neighborhood and usage of the Brown Ranch Roads and gates (i.e., how the Short-Term Rental would not result in greater usage when compared to the usage by the Member), (ii) what other impacts to the Brown Ranch Roads and gates would occur (e.g., would there be maid service to clean the house with each usage, would there be similar impacts for trash service and similar services), (iii) how security of the gate codes would be protected and not circulated to other persons or parties, (iv) who would be responsible for managing the operation of the Short-Term Rental and how would compliance with Brown Ranch Roads Maintenance Association’s rules and regulations be monitored and enforced, and (v) such other information as may be requested by the Board. The Board may approve a Short-Term Rental Usage Waiver as provided for in this Section 3.3.2.D only if it finds that (1) the use would not be materially more impactful to the Brown Ranch roads, gates and other facilities than would be the case if the use was restricted to the use by the Member or for a Long-Term Rental and (2) the Short-Term Rental does not negatively impact the Brown Ranch community. If the Board does not approve the requested Short-Term Rental Usage Waiver, the Member may request the Board to send a notice of the proposed usage to the entire Membership for a vote. The notice will establish the reasonable manner, method and timing for how and when the Members shall return their ballot. If at least 67% of the Members consent in writing to the requested Short-Term Rental Usage Waiver, the Short-Term Rental Usage Waiver shall be approved; provided however, that such approval relates to only a single Short-Term Rental Usage Waiver; and provided that no such approval shall be considered precedential in connection with any subsequent application for a Short-Term Rental Usage Waiver. If the appealed waiver to the Association Membership is approved, the Board may impose such conditions as it deems appropriate for Short-Term Rental Usage Waiver.

E. In each instance of a Short-Term Rental whether by right or through the granting of a Short-Term Rental Usage Waiver, the Member shall notify the Board in advance not less than three days prior to the commencement of the Short-Term Rental, which notice shall include the following information: name, local phone number, license plate number(s), email address and mailing address of the renter and any management company managing the Short-Term Rental and any other companies servicing the Short-Term Rental to whom the gate access codes would be provided. The Member shall minimize the number of persons to whom the gate access codes are provided.

3.3.3 **Long-Term Rentals.** Persons using, occupying, or otherwise staying in an Improvement for any Long-Term Rental (as defined above) are authorized to use Association Roads and Facilities to gain access to the Member Property under the following conditions:

A. The Member shall notify the Board within seven days of the commencement of the Long-Term Rental, which notice shall include the following information: name, local phone number, license plate number(s), email address and mailing address of the Tenant.

B. Each Member who enters into a Long-Term Rental arrangement for their Property or allows the same shall take reasonable steps to assure compliance by the Tenant with all of the provisions of the Brown Ranch Governing Documents and shall be liable to the Association for any violations thereof by the Tenant in the absence of such reasonable steps.

3.3.4 **Requirements and Restrictions Concerning Use of Lots for Camping, Campgrounds, RV Parks.** Any Person using or seeking to allow the use of their Member Property for a Campground, as defined in 3.3.1.A, is prohibited from using any and/or all use of the Association Roads and Facilities to gain access to the Campground. The foregoing notwithstanding, a Member and/or the Member's family and guests may camp on the Member's Property, provided that no consideration is being charged and/or collected for such usage. The foregoing notwithstanding, a Member may park or store a camper or RV on the Member's Property, provided that is not in view from Association Roads so far as practical and is not being used or occupied for purposes not otherwise allowed by this

Amendment.

3.3.5 Limitations on Other Non-Residential Uses The use of Association Roads and Facilities to serve a Member Property is limited to agricultural uses and traditional residential uses as defined in the San Miguel County Land Use Code, consisting of a primary residence and accessory dwelling unit and accessory structures. Other uses that may be allowed in residential zones following specific reviews for a special use permit or similar review by the County may not be accessed through the use of Association Roads and Facilities, unless the Board, in its reasonable discretion determines that such uses would not otherwise create negative impacts to the Association Roads and Facilities, beyond those impacts customarily expected in connection with residential usage, including but not limited to, activities resulting in excessive traffic, increased maintenance, a wide dissemination of gate codes beyond Members and approved vendors, or any use or activity for personal gain unrelated to traditional residential usage.

3.3.6 Enforcement The Association shall treat a violation of the requirements and restrictions contained in this Section 3.3 as a violation of the Amended and Restated Rules and Regulations and shall have the right to proceed with and follow the enforcement and remedy provisions stated in the Amended and Restated Rules and Regulations. A Member determined to be in violation of these requirements and restrictions may be fined up to \$1,000/day and each day that the violation has occurred shall be a separate violation and subject to a separate fine. The fine shall be imposed upon and collected from the Member allowing their Property to be used in violation of this Amendment. The Association may commence and pursue litigation to further enforce compliance with this Article, which may include injunctive relief and/or specific performance, and, in such event, the Association shall recover its fees, costs and expenses, including attorney fees, incurred in enforcing compliance with the Brown Ranch Governing Documents, including the provisions of this Section. In the event the Association incurs any other fees, costs and expenses to address a violation of a Member, such as needing to change the gate codes or repairing the gates, the Association shall notify the Member of the fees, costs and expenses and collect such amounts from the Member.

B. **No Other Amendments.** Except as amended by the terms of this Amendment, all other terms, conditions and provisions of the Brown Ranch Governing Documents shall otherwise remain in full force and effect without further amendment or modification.

C. **Member Consents.** The Association states and affirms that it has obtained the approval of two-thirds of the total membership of the Association to approve this Amendment. Copies of these consents are on file with the Association.

D. **Effectiveness.** This Second Amendment to the Fourth Amended and Restated Articles of Association of the Brown Ranch Roads Maintenance Association shall become effective upon recordation in the Official Records of the Clerk and Recorder for San Miguel County, Colorado.

The foregoing Second Amendment to the Fourth Amended and Restated Articles of Association of the Brown Ranch Roads Maintenance Association is hereby adopted by the Association as of December 21, 2022.

THE BROWN RANCH ROADS MAINTENANCE ASSOCIATION

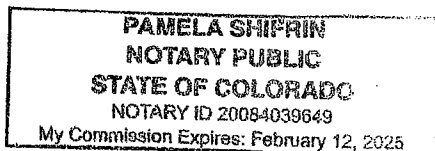
A Colorado non-profit corporation

By: William F. Grun Date: December 22, 2022
 William F. Grun
 President

STATE OF COLORADO)
) ss.
 COUNTY OF SAN MIGUEL)

The foregoing instrument was acknowledged before me this 22 day of December, 2022, by William F. Grun, President of the Brown Ranch Roads Maintenance Association.

My commission expires 2/12/2025.
 Witness my hand and official seal.



[Signature]
 Notary Public