



September 4, 2025

RE: UPDATE OF GOVERNING DOCUMENTS

Dear Ranch at Roaring Fork Owner:

This letter is written on behalf of Ranch at Roaring Fork Homeowners Association, Inc. (the Association”) to notify you that efforts are underway to amend, restate and consolidate the following documents:

- the Amended Declaration of Easements and Protective Covenants for Common Recreation Reserve at the Ranch at Roaring Fork recorded on October 26, 1977 at Reception No. 281441, as amended or supplemented (the “CRR Declaration”);
- the Second Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Liens and Charges for Ranch at Roaring Fork recorded on August 7, 1985 at Reception No. 364004, as amended or supplemented (the “Ranch Declaration”); and
- the Supplementary Declaration and Amendment to the Ranch Declaration on October 12, 2015 at Reception No. 869163 (the “Supplemental Declaration”).

The Board of Directors engaged legal counsel to review the forgoing “Declaration Documents” and the other governing documents applicable to the Ranch to identify necessary changes to consolidate and modernize the applicable covenants, conditions and restrictions, cure existing deficiencies within the documents, comply with applicable law, and advise on how to appropriately proceed.

Upon review of the governing documents and relevant provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq. (“CCIOA”), and the Colorado Revised Nonprofit Corporation Act (the “Nonprofit Act”), counsel advised that the recommended and proposed changes would require a Declaration amendment approved by the vote of Owners holding at least 67% of all Association votes. Counsel also advised that the most efficient method of obtaining the requisite Owner approval is by written ballot solicitation. At the direction of the Board of Directors, counsel prepared the enclosed Third Amended, Restated, and Consolidated Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for the Ranch at Roaring Fork and the Common Recreation Reserve at the Ranch at Roaring Fork (the “Amendment”). A copy of the Amendment is enclosed. The Board has reviewed and revised the draft document and has approved it for Owner review.

The Amendment includes several important changes that Owners should review and consider. Clearly, the Ranch contains both attached condominium units and single-family home lots. Although the Ranch Declaration adequately addresses the physical differences between Units and Lots, it fails to properly distinguish the two forms of common interest ownership: condominium and planned community. Instead, the Ranch Declaration includes a mix of provisions that would normally apply to either a condominium or a planned community, but not both. These deficiencies create internal conflicts within the Ranch Declaration, and between the Ranch Declaration and the other Declaration Documents. Such conflicts, and the resulting ambiguity, will very likely lead to confusion and disputes related to interpretation of the Declaration Documents. The most glaring example of this issue is that the Ranch Declaration allocates to all Owners an undivided interest in the General Common Elements (“GCE”), which makes all of the Ranch

a condominium as defined by CCIOA. This means that all Common Elements designated as GCE are owned by all the Owners including without limitation, the Common Recreation Reserve, and the exterior surfaces of the Condominium Building. Consequently, the Common Recreation Reserve and other Common Elements, which should be owned by the Association, are instead owned by the Owners. Furthermore, this deficiency inappropriately provides Lot Owners with voting and expense interests in portions of the Condominium Buildings designated as GCE. One example of the unintended, and unfair, result of this issue is if a Condominium Building were destroyed by an occurrence that is covered by an insurance policy. In that circumstance, Lot Owners would very likely be entitled to a share of the insurance settlement proceeds because of the allocation of undivided interests in the GCE to all Owners in the Ranch Declaration.

In order to resolve these issues, the Amendment eliminates the allocation of undivided interests in the GCE, and otherwise treats the entire Ranch as a planned community. To further clarify the interests, rights and responsibilities of Unit Owners and Lot Owners, the Amendment includes several revised or new definitions, and provides for creation of two Membership Classes, one class consisting of Unit Owners and the other class consisting of Lot Owners. In addition to providing for vote and common expense liability allocations to all Owners, the Amendment separately allocates votes on matters only effecting Owners within that Membership Class, and allocates shares of common expense liability for expenses effecting or benefiting Owners within that Membership Class. The proposed changes are intended to formalize the Association's historic and regular operations without alteration or interruption. As a practical matter, the Amendment will not change the voting interests or common expense liability of any Owner.

A summary of other changes made in the Amendment are as follows:

- Removes provisions related to reservation and exercise of Declarant rights that are no longer applicable or enforceable.
- Amends the expense limit, and the formula for calculating annual adjustments of same, that the Board may incur without Owner approval.
- Confirms the Association's ability to pledge its right to collect future assessments and its related statutory lien as security for a loan as provided in the Bylaws.
- Revises the approval requirements for Declaration amendments to 67% of all Owners as provided in CCIOA, and makes 67% Owner approval requirement uniform for real estate or water right transfers and other Association actions requiring Owner approval.
- Addresses existing deficiencies to comply with applicable law and removes or revises provisions that are more appropriately addressed in or in conflict with other governing documents.
- Adds provisions to clarify the authority of the Association and the Board of Directors, and limitations to such authority, as provided under CCIOA and the Nonprofit Act.
- Removes restrictions related to use of the Common Elements and the Lots that are more appropriately addressed in rules or regulations.
- Revises use restrictions to clarify the purpose and intent of same and make such provisions easier for Owners and Board members to interpret in the future.
- Clarifies rights of Guests to use the CRR upon the Association's prior approval, and the Board's authority to adopt rules and regulations regarding same.
- Adds requirement for buyers to pay a working capital fund contribution upon closing of any purchase of a Unit or Lot that occurs after approval and recording of the Amendment.
- Revises and modernizes the insurance obligations of the Association and the Owners.
- Clarifies the Association's authority to approve any proposed Change in Property, the standards and criteria related to submission and review of applications for approval and confirms the Association's authority to adopt or amend Architectural Guidelines.

The Amendment is intended to improve the administration, operation and management of the Association, which will facilitate the efficient preservation and enhancement of the Property and the value of each Unit and Lot. Accordingly, it is in the best interest of the Association and its members to adopt the Amendment. In the interest of transparency and efficiency, the Board is seeking comments from Owners to identify revisions that may be necessary to ensure that the Amendment is approved by at least 67% of all the votes in the Association as required by the Declaration.

Please review the Amendment and send your written comments to the Board by **September 25, 2025**. You may deliver your written comments via hand delivery, U.S. Mail, or e-mail, as follows:

Mail: Ranch at Roaring Fork Homeowners Association, Inc.
14913 Highway 82
Carbondale, CO 81623

E-mail: rrfhoa.rrf@gmail.com

If you have any questions, please feel free to contact: Tom McDermott
via e-mail at globug249@gmail.com by phone at: 303-887-1293

Sincerely,

Ranch at Roaring Fork Homeowners Association