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Linda Daley
Laplata County Clerk

Pine River Ranches Landowners Association Policies and Procedures

Reserve Funds. The Board may, at its discretion, cause any reserve funds of the Association, above those needed for imminent business, to be deposited in either a federally insured savings account or short term certificate of deposit, or alternatively in short term general obligation instruments of the United States.

Enforcement. Any Member of the Association may bring perceived violations of the Covenants or Bylaws to the attention of the Board. Any such notification will not deprive said Member of legal recourse otherwise available to him or her. Upon receiving such notification of possible violation, the Board should investigate the alleged violation and bring it for discussion not later than the second Board meeting following such notification. If the Board finds that a violation has taken place, the Board will deliver to the offending Member a summary notice describing the violation along with a demand to cease and desist, and providing such offending member with an opportunity to be heard by the Board at a regular or special meeting. If the offending Member does not, within 30 days of said notice, either abate the violation or bring plans satisfactory to the Board for its future abatement, the Board may, but is not obligated to, institute immediate legal action to abate the violation. The Board may provide a delay in enforcement, but any such delay is purely gratuitous and does not constitute a permanent or continuing waiver of the Board's right to abate any such violation. The Board may, in addition to abating the violation through legal action, also levy a reasonable fine for any such violation.

Collections. Notice of any annual or special assessment will be provided to all Members 30 days prior to its due date, said notice to be given in a legal manner as determined from time to time by the Board. Said assessments become delinquent 30 days after their respective due dates. At any time thereafter, the Board may elect to send to the delinquent Members a Notice of Intent to file a Lien, in a manner prescribed by law. The Board may thereafter apply a lien against the property to which the delinquency pertains, including any costs, penalties and interest provided for in the PRRLOA Bylaws. Any delay by the Board in applying or foreclosing upon such a lien is purely gratuitous, and does not constitute a permanent or continuing waiver of the Board's or the Association's rights.

*Stephanie McCann
409 Pine River Ranch Circle
Bayfield, CO 81122*

The Board need not file a legal action in order to impose the penalties, legal fees and costs as described in paragraph 3.8 of the Bylaws.

Board Member Conflicts of Interest. If any Board Member believes he or she, or any other Board Member, has a conflict of interest with respect to any item of Association business, it is the responsibility of said Board member to bring such potential conflict to the attention of all Board members present. The Board shall then investigate and discuss same, and determine by majority vote whether such a conflict exists. If a conflict of interest is found with regard to any specific issue and Board member, said Board member shall be precluded from voting on the item where the conflict exists, but may participate in its discussion. Alternatively, any such Board member(s) may unilaterally recuse themselves from voting.

A conflict of interest is defined as any contract, transaction or other financial relationship between the Association and any Director. Transactions involving a conflict of interest shall not be void or voidable so long as the conflict is properly disclosed to the Board, the Board approves the transaction in good faith, and the transaction is otherwise fair to the Association.

Conduct of Owner and Board Meetings. Member (Owner) meetings will be conducted in accordance with Article 2.9 of the Association's Bylaws, supplemented as follows: a) appropriate meeting notice will be posted on the bulletin board by the mail boxes, and on the Association's website, with notice also provided to those who wish internet notification who have provided their email addresses; b) contested elections for Directors will be by secret paper ballot, and votes on other issues will be by secret ballot should any Member so request; and c) votes will be counted by one or more Members drawn from a pool of Members who are not candidates.

Notice of Board meetings will posted and noticed as above. All Members will be allowed to speak to items under discussion prior to a Board vote on any such item, however the President or the Board may set reasonable rules regarding such speech, as to length, redundancy, number of speakers on either side of an issue, and decorum.

The Board may close a Board meeting if items concerning litigation are to be discussed, or on other occasions when legal counsel has advised the Board that such action is legal and desirable. Such closure shall not extend to any vote dealing with any such issue, which shall be in open session.

Adoption and amendment of policies and procedures. The policies and procedures contained herein may be adopted or amended at any time by an affirmative vote of three Board members, provided said amendments are consistent with applicable State law and with the Covenants and Bylaws of Pine River Ranches Landowners Association. The vote of the Board may be overridden by a majority vote of a quorum of Members at any duly called Members meeting, provided that any resulting policy is consistent with State law and with the Covenants and Bylaws of the Association.

Records availability, disclosure and inspection. Pine River Ranches Landowners Association desires every Member to have ready access to all pertinent documentation pertaining to the Association's business for legitimate purposes related to the owners' interest in the Association. Such legitimate purposes do not include solicitations or other such improper uses as determined by the Board. Accordingly, PRRLOA maintains an electronic office at (assoc website). At this address, the following documents, available for copying at the viewer's discretion, will be found:

- a. Articles of Incorporation.
- b. Recorded Covenants.
- c. Bylaws and Policies & Procedures.
- d. Resolutions and policies adopted by the Board affecting Members.
- e. Minutes of Member meetings and actions taken legally by Members without a convened meeting for the last three years.
- f. Written communications to Members over the last three years.
- g. Names and addresses of current Board members.
- h. The most recent annual report.
- i. Financial reviews or audits conducted during the past three years.
- j. Fiscal year information.

- k. Current year operating budget.
- l. Summary of current assessments.
- m. Annual financial statement including current and past year reserve funds.
- n. List of current insurance policies, including legally specified details.
- o. Member and Board meeting minutes for the preceding fiscal year.
- p. Annual disclosure and Member education.

The Association's physical address is Box 602, Bayfield, Colorado, 81122. The telephone number of the President (Stephanie McCain) is 884-4998.

If a Member does not have internet access, copies of the items above can be arranged at a cost of 25 cents per page plus mailing costs (which includes staff time without profit to the Association), payable in advance, by contacting the Association at the above address or telephone number.

Biennial review. Every even-numbered year, the association will have a review by a qualified individual or firm of its financial books and records for the prior two years, said review to commence by the end of February of the even-numbered years, and to be completed one month prior to the next Annual Members Meeting. The results of such reviews will be posted on the Association's under the annual disclosure category until the next biennial review is posted.

Alternative Dispute Resolution. If a dispute should arise between the Association and any Member(s), or between two or more Members, any party to such dispute may, without giving up any other legal recourse available, request that the dispute be submitted to mediation. If the other party or parties agree, the dispute will be submitted for mediation to any individual or group of individuals acceptable to all the parties in interest. All such parties will be entitled to submit reasonably pertinent information to the mediation, and to reasonably testify during the fact-finding portion of the mediation. The costs of such mediation will be borne equally among the parties in interest. Any agreement reached as a result of such mediation may be presented to the Court as a stipulation. Violations of any agreement reached, whether such agreement was initially

submitted to Court or not, may be submitted to the appropriate Court for relief by the other parties in interest.

Should any party in interest not agree to mediation, or does not agree with the recommended resolution of the dispute, said dispute may proceed directly to a matter before a Court of competent jurisdiction.