

**PINE RIVER RANCHES LANDOWNERS POLICIES AND PROCEDURES**  
**Adopted/Revised: June 6, 2018**

**RESERVE FUNDS** - The Board of Directors 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, Conditions and Restrictions, Bylaws or Rules, Regulations and Guidelines to the attention of the Board of Directors. 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 of Directors shall investigate the alleged violation and bring it for discussion not later than the second Board of Directors meeting following such notification as defined in Bylaw 3.8. If the Board of Directors finds that a violation has taken place, the Board of Directors 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 of Directors at a regular or special meeting as defined by Bylaw 3.8. If the offending Member does not, within 30 days of said notice, either abate the violation or bring plans satisfactory to the Board of Directors for its future abatement, the Board of Directors may, but is not obligated to, institute immediate legal action to abate the violation. The Board of Directors 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 of Directors to abate any such violation. The Board of Directors may, in addition to abating the violation through legal action, also levy a reasonable fine for any such violation in accordance with the schedule of Fines for PRRLA Violations attached as Exhibit A.

**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 of Directors. Said assessments become delinquent 30 days after their respective due dates. Additionally, the Association has the authority to impose fines for violations, which will result in liens if not paid in a timely manner. At any time thereafter, the Board of Directors may elect to send to the delinquent Members a Notice of Intent to file a Lien,

in a manner prescribed by law. The Board of Directors may thereafter apply a lien against the property to which the delinquency pertains, including any costs, penalties and interest provided for in the PRRLOA Bylaw 3.8 (b). Any delay by the Board of Directors in applying or foreclosing upon such a lien is purely gratuitous, and does not constitute a permanent or continuing waiver of the Board of Directors or the Association's rights. The Board need not file a legal action in order to impose the penalties, legal fees and costs as described in Bylaw 3.8 (b). The dates on which assessments must be paid are specified elsewhere in the Policies and Procedures, Bylaws and the Covenants, Conditions and Restrictions of PRRLOA then lawfully in place. The annual assessment is due on January 1 of each year. The late fees, penalties and returned check charges that may be imposed must be consistent with the Bylaws and Covenants, Conditions and Restrictions of PRRLOA in place at the time the late fee imposed. Interest accrues at the rate of 15% per annum, and the late fee is 25% of the past due assessment. Any delinquent landowner may enter into a payment plan with PRRLOA for delinquent amounts owed, which plan must require payment in full within six months, provided that at least 1/6 of the delinquent amount is fully tendered within fifteen days of the mailing by first class mail of the notice of delinquency and that a further payment of at least 1/6 of the original delinquent balance, plus allowable interest and other associated charges is received within each 31 day period thereafter, until fully paid. The person authorized to provide the account information memorializing the delinquent account is the Treasurer of PRRLOA. The Treasurer shall also originate and administer all payment plans. Any action brought pursuant to a delinquency is deemed necessary to cure such delinquency and failure to do so within thirty days may result in the land owner's account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's property or other remedies available under Colorado law. Before turning a delinquent account to a collection agency or an attorney for legal action, the PRRLOA will send the delinquent owner the notice required by CCIOA Section 209.5(5).

**BOARD OF DIRECTORS MEMBER CONFLICT OF INTEREST** - If any Board of Directors Member believes he or she, or any other Board of Directors Member, has a conflict of interest with respect to any item of Association business, it is the responsibility of said Board of Directors member to bring such potential conflict to the attention of all Board of Directors members present. The Board of Directors 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 of Directors member, said Board of Directors member shall be precluded from voting on the item where the conflict exists, but may participate in its discussion. Alternatively, any such Board of Directors 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 of Directors, the Board of Directors approves the transaction in good faith, and the transaction is otherwise fair to the Association.

**CONDUCT OF MEMBER AND BOARD OF DIRECTOR MEETINGS** - Member 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

c) votes will be counted by one or more Members drawn from a pool of Members who are not candidates.

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

The Board of Directors may close a Board of Directors meeting if items concerning litigation are to be discussed, or on other occasions when legal counsel has advised the Board of Directors 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, Rules, Regulations and Guidelines contained herein may be adopted or amended at

any time by an affirmative vote of three members of Board of Directors, provided said amendments are consistent with applicable State law and with the Covenants, Conditions and Restrictions, Bylaws and Rules, Regulations and Guidelines of Pine River Ranches Landowners Association. The vote of the Board of Directors may be overridden by a majority vote of a quorum of Members as defined in Bylaw 2.1 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 of Directors. Copies of these items will be made available for the actual cost to reproduce them and this cost is payable in advance. A written request for the following documents should be sent to the Associations' physical address: PRRLOA, P.O. Box 602, Bayfield, CO 81122.

- a. Recorded Covenants, Conditions and Restrictions
- b. Bylaws, Policies and Procedures, Rules, Regulations and Guidelines
- c. Resolutions and policies adopted by the Board of Directors affecting Members
- d. Minutes of Member meetings and actions taken legally by Members without a convened meeting for the last three years
- e. Member and Board of Directors meeting minutes for the preceding fiscal year
- 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. Annual disclosure and Member education

PRRLOA also maintains an electronic office at [www.pineriverranchesloa.com](http://www.pineriverranchesloa.com). At this web address, the following documents are available for copying/printing at the viewer's discretion:

- a. Recorded Covenants, Conditions and Restrictions
- b. Bylaws, Policies and Procedures, Rules, Regulations and Guidelines
- c. Resolutions and policies adopted by the Board of Directors affecting Members
- d. Minutes of Member meetings and actions taken legally by Members without a convened meeting for the last three years

**BIENNIAL REVIEW** - Every even-numbered year, the association may have a review by a qualified individual or firm of its financial books and records for the prior two years in accordance with Colorado law. A request by the Members of the Association for a financial review shall be required only when requested by the owners of at least one third of the lots represented by the Association.

**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.

## **Exhibit A to Policies and Procedures**

### **Fines for PRRLA Violations**

The Board of Directors of Pine River Ranches Landowners Association hereby adopt the fine of \$100 per month, or any portion thereof, for the violations described below:

- 1) Violations of Paragraph 16 of the CC&Rs (prohibition on bringing or maintaining rubbish, trash or unsightly material upon any lot in PRR).
- 2) Violations of Paragraph 19 of the CC&Rs (prohibition on installing improvements above the level of the ground, except for fences, without approval of the Design Committee).
- 3) Violations of Paragraph 17 of the CC&Rs (prohibition on storing unused or inoperative vehicles on site in an open location).

Such fines shall commence on the final date that the Board of Directors shall determine that a violation has, in fact, occurred, following all notices and preliminary remedies offered to the pertinent landowner under CCIOA and the governing documents of PRRLA. These specifically include:

- a) That the determination that a violation has actually occurred, and that the lot ownership cited is responsible, be the result of fair and impartial fact finding;
- b) That in the event that any violation is found, and before the imposition of a fine, the cited ownership is granted a period of time of up to 30 days during which to abate the violation(s) identified;
- c) The right for the cited lot ownership to be heard by an impartial decision maker prior to a fine being imposed.

Additionally, fines shall be cumulative, and shall include all costs incurred by the Association in any subsequent enforcement and collection actions, including but not limited to investigation costs, attorneys' fees, filing fees and litigation costs. Any such fines or costs imposed, if not paid immediately, shall become a lien on the pertinent lot(s), and shall thereafter be treated in the same manner as other liens.