

**RIVER VALLEY RANCH MASTER ASSOCIATION (RVRMA)
PROCEDURE FOR DEVELOPMENT ADOPTION AND AMENDMENT OF
POLICIES, PROCEDURES and RULES**

The River Valley Ranch Master Association (RVRMA) has a declaration of protective covenants, bylaws and rules and regulations. Article 13.4 of the Declaration empowers the Executive Board to enforce compliance to the Protective Covenants, Bylaws, Rules and Regulations of River Valley Ranch. The Executive Board deems it necessary to adopt procedures for the development, adoption and amendment of Association policies, procedures and rules. The following procedures are established regarding the development, adoption and amendment of policies, procedures and rules:

When it is determined that there may be a need for rule(s), the Executive Board or a committee, appointed by the Executive Board, shall proceed with the following objective:

1. Identify the source(s) of the association's authority to make the proposed rule(s)
2. Determine the need for the rule(s)
 - Evaluate the scope and importance of the issue.
 - Verify rule(s) does not already exist.
 - Verify existing documents are inadequate to address the issue(s)
3. Evaluate the immediate impact and long-term implications of adopting the rule(s)
4. Define the scope of each rule and draft them.
5. Verify that each proposed rule is valid and enforceable. That is,
 - Legal (compatible with both governing documents and existing statutes)
 - Related to the association's operation and purpose
 - Reasonable
 - Fair
 - Clear
 - Enforceable
6. Give at least 30 days notice, prior to the meeting of the Executive Board where the action will be taken, via at least two methods listed below of the proposed rule(s) to Lot/Unit owners and solicit comments.
 - Newsletter article
 - Website posting
 - Bulletin board posting
 - Direct mail where applicable
7. Present rule(s) to the Executive Board in resolution format for consideration
 - Quorum of the Executive Board must be present for vote
 - Provide Lot/Unit Owner comments to Board for review
 - Minutes must record text of rule(s) and vote for adoption

- Rule, Policy or Procedure must be passed by a majority of the Executive Board
8. Give notice of adopted rule(s), policies or procedures to Lot/Unit Owners and residents, via at least two methods listed below, before enforcement begins.
- Newsletter article
 - Website posting
 - Bulletin board posting
 - Direct mail where applicable

RVRMA President

Date adopted

Notice Policy and Procedure for Special Meetings of the Board

In the interest of increased communication and participation with homeowner input and in support of the effort to be transparent in all dealings of the RVRMA, and in accordance with Section 6.3 of the By Laws **NOTICE OF BOARD MEETINGS**, the following shall be established procedure:

When a Special Meeting of the Board of Directors is called and proper notice of a meeting is given by, or at the direction of the Secretary, all of the Lot/Unit Owners shall be given notice as well. This will be done as practicably and expeditiously as reasonable upon direction of the Secretary, or President of the Board to staff which will:

- Use electronic mail to all Lot/Unit Owners that have provided current email addresses to the Association;
- Post notices on the entry foyer bulletin board of the Ranch House; and

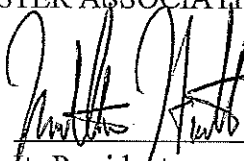
This policy and procedure may be amended from time to time by the Board of Directors.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the RVRMA certifies that the foregoing resolution was adopted by the Board of Directors of the RVRMA at a duly called and held meeting of the Board of Directors held on this 3rd day of June 2008 and in witness thereof, the undersigned has subscribed his/her name.

RIVER VALLEY RANCH MASTER ASSOCIATION, INC.

By: Matthew Hamilton



Its President

June 16, 2008

Individual Irrigation System Fall Blow-Out Policy

WHEREAS the River Valley Ranch Master Association has a Protective Declaration of Covenants, Bylaws, and Rules and Regulations, and,

WHEREAS Article 9.9 **Power to Adopt Master Rules and Regulation** empowers the Board of Directors to adopt, amend, repeal and enforce such Master Rules and Regulations,

WHEREAS there is a need to adopt a policy governing the additional maintenance steps required to properly perform Irrigation System Blow-Out in situations where a homeowner's irrigation operating system is not readily available or otherwise obstructed to maintenance personnel,

WHEREAS it is to the benefit of all members of the Association and,

WHEREAS Irrigation System Blow-Out is necessary to protect the Project Irrigation System,

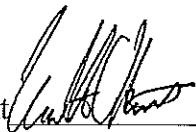
NOW, THEREFORE, BE IT RESOLVED THAT the following policy relating to Individual Irrigation System Blow-Out is hereby adopted by the Board of Directors:

1. The Association shall perform basic Individual Irrigation System Blow-Outs for each homeowner, the cost of which is included in the regular assessments each year. As used herein, basic Individual Irrigation System Blow-Out means systems where the operating systems, clocks and controllers serving the Individual Irrigation Systems (the "Controls") are readily available when the scheduled Blow-Out actually occurs.
2. In the event that the Controls are not readily available to perform the Individual Irrigation System Blow-Out, the Owner will be charged an additional charge equal to 100% of the actual charge as billed by the service provider to perform the Basic Individual Irrigation System Blow-Out for each zone receiving such service.
3. No less than one week prior to performing the Individual Irrigation System blow-Out, the Association shall notify all owners of the expected time-frame of the Individual Irrigation System Blow-Out. It is the Owner's responsibility to make the Controls available.
4. Any additional charges will be levied to the homeowners Ranch House account for payment.

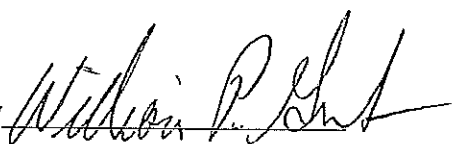
APPROVED:

Date 10/28/08

President



Secretary



River Valley Ranch Master Association (RVRMA) Executive Board of Directors Conflict of Interest Policy and Procedures

The River Valley Ranch Master Association (RVRMA) has a declaration of protective covenants, bylaws and rules and regulations. Article 9.9 of the Declaration empowers the Executive Board to adopt, amend and repeal, and enforce such Master Regulations as the Executive Board may consider necessary, desirable, or appropriate with respect to the operation of the Master Association. The Executive Board deems it necessary to adopt a policy of framework for directors to disclose conflicts. The following procedures will be used by the board in determining if a conflict exists:

1. Disclosure of Conflict

Any Director, Executive Director or manager who may have a material personal or economic interest, direct or indirect, in conflict with the interest of River Valley Ranch Master Association (RVRMA) as to any matter scheduled to be considered by its Executive Board of Directors shall disclose such possible conflict before voting on such matter.

A Director, Executive Director or Manager has an "indirect" interest in any matter if a material, personal or economic interest exists which benefits:

- I. Any immediate family member of such Director, Executive Director or Manager, or
- II. Any entity served by such Director, Executive Director or Manager of immediate family member as board or committee member, officer, trustee, partner or employee, or
- III. Any entity in which such Director, Executive Director or Manager or immediate family member has a material economic interest, direct or indirect, such as equity owner, creditor, consultant, lawyer, accountant or other independent contractor.

A "material" economic interest is any interest with a fair market value exceeding \$500 which has existed at any time during the previous three years.

An "immediate family member" of a Director, Executive Director or Manager includes a spouse, child (natural, adopted, or related by marriage), parent, grandparent, and grandchild, sibling (natural, adopted, or related by marriage). The term also includes any other family member who resides in the same household as, or is financially dependent upon, such Director or Manager, as well as anyone who shares living quarters with such Director or Manager under circumstances resembling a marital relationship.

2. Action on Matters Involving a Conflict

A Director, Executive Director or Manager who has disclosed a conflict of interest as to any matter pursuant to these guidelines may participate in the

discussion of such matter, may abstain or vote on such matter and shall be counted for quorum purposes. No action shall be taken on such matter however, except by affirmative vote of a majority of the Non-conflicted Directors then serving.

3. Contracts

Any Director, Executive Director or Manager aware of any contract proposed to be executed by the RVRMA, in which any Director, Executive Director or Manager has a material, personal or economic interest, direct or indirect, shall immediately disclose such interest to the President or Vice President of RVRMA. All proposed contracts of RVRMA in which any Director, Executive Director or Manager has a material, personal or economic interest, direct or indirect, shall be executed only upon approval by affirmative vote of a majority of the non-conflicted Directors then serving. Any contract executed by RVRMA in which a Director, Executive Director or Manager has a material personal or economic interest, direct or indirect, is voidable by RVRMA if such contract has not been so approved.

4. Minutes

The minutes of any meeting of the Board of Directors at which the disclosure of any conflict of interest is made by a Director as to any matter under consideration shall note such disclosure and note whether such Director was present for the vote on such matter, and if present, abstained or voted aye or nay on such matter.

5. Dissemination of Guidelines

Prior to participation at any meeting of the Board of Directors of RVRMA, each new Director shall be given a copy of these guidelines, be and specifically asked to read them and acknowledge whether any conflict involving such Director may exist under the guidelines. If the new Director has a conflict with these guidelines, then the Executive Board will use their discretion in dealing with the situation.

6. Requirements:

Each Director, Executive Director or Manager shall submit to the Association President or Vice President by the regularly scheduled Annual meeting a list of the following for the Director, Executive Director or Manager and his/her immediate family who reside at the same residence including college students, and shall update it as material facts change:

- a. The employer of all family members over age 16
- b. All assets including land, stocks, bonds, leases, partnerships, or other material assets located in RVRMA or involved in RVRMA based activities.
- c. Loans from RVRMA based persons or entities which are not state or federally regulated.
- d. Memberships in organizations which are RVRMA related.
- e. Any material fact which may be a direct or indirect conflict of interest.

Such filing shall be maintained by the Executive Director of the RVRMA and shall be open for public inspection during the regular business hours of the Association.

RVRMA President

Date Adopted

**PROCEDURE FOR THE EXAMINATION, INSPECTION AND COPYING OF
RIVER VALLEY RANCH MASTER ASSOCIATION RECORDS, POLICIES
AND PROCEDURES.**

The River Valley Ranch Master Association (RVRMA) has a declaration of protective covenants, bylaws and rules and regulations. Article 13.4 of the Declaration empowers the Executive Board to enforce compliance to the Protective Covenants, Bylaws, Rules and Regulations of River Valley Ranch. The Executive Board deems it necessary to adopt a policy for the examination, inspection and copying of association records, policies and procedures. The procedure is as follows:

All financial and other records of the RVRMA not otherwise excluded by this policy are available at The Ranch House, located at 444 River Valley Ranch Drive. These records may be accessed during normal business hours 9am – 6pm, Monday through Friday. Originals are not allowed to leave the premises.

The RVRMA is required to keep a copy of each of the following at its principal office:

- a. the article of incorporation and bylaws of the association
- b. the original declaration
- c. the amended and restated protective covenants of River Valley Ranch
- d. resolutions adopted by the Executive Board
- e. the minutes of all Lot/Unit Owners (LUO) meeting and records of actions taken by LUO's without a meeting (kept for 3 years)
- f. all written communications within the past three years to LUO's
- g. a list of the names and business or home addresses of its current directors
- h. the most recent end of year financial statements
- i. all financial audits or review conducted pursuant to section 38-33.3-303(4)(b) during the immediately preceding three years.
- j. A record of unit owners that allows preparation of a list of the names and addresses of all unit owners that shows the number of votes each unit owner is entitled to vote.

Examination and copying by any LUO is permissible if the following conditions are met:

- a. the request was made in good faith and for a proper purpose;
- b. the request describes with reasonable detail the records sought and why;
- c. the records are relevant to the purpose of the request.

A LUO may request any of the above documents by first submitting a Request for Records form, available at the front desk at The Ranch House. (see attached) This request will be processed by the Executive Director within 5 business days.

If the request is denied, the Executive Director shall provide a letter within five (5) business days of the denial which explains the reason for denial. The LUO may appeal such decision to the RVRMA Executive Board by filing a written appeal within 10 days

of the date of the denial letter. The Board shall consider the appeal at its next Regular Meeting

If request is approved by the Executive Director, the Executive Director will make available all items requested on the Request for Records form. If the LUO requests copies, the LUO will be charged \$.25 per page. There will be an hourly rate of \$20 per hour for search, retrieval and copying of records.

A request to examine another LUO's property file or documents will be allowed only if the subject LUO signs a release form allowing another LUO to view or copy their records. These files are considered confidential. LUO must fill out Request for Records once the release form is obtained.

Employee files and records are not public record.

RVRMA President

Date Adopted

RIVER VALLEY RANCH MASTER ASSOCIATION (RVRMA) PROCEDURE FOR MEETINGS, BALLOTS, AND PROXIES

The River Valley Ranch Master Association (RVRMA) has a declaration of protective covenants, bylaws and rules and regulations. Article 9.9 of the declaration empowers the Executive Board to adopt, amend and repeal, and enforce such Master Regulations as the Executive Board may consider necessary, desirable, or appropriate with respect to the operation of the Master Association. The Executive Board deems it necessary to adopt procedures for the development, adoption and amendment of Association policies, procedures and rules. The following procedures are established regarding the development, adoption and amendment of policies, procedures and rules:

Meetings:

Annual Meeting of the Lot/Unit Owners(LUO):

Notice – A written notice stating place, day, and hour, to be delivered by mail to any LUO entitled to vote and to be physically posted in a conspicuous place and be made electronically available not less than 14 or not more than 60 days before the date of such meeting.

Quorum – A quorum is deemed present throughout any meeting of the LUO of the Master Association if persons entitled to cast at least twenty percent (20%) of the votes in the Master Association are present, in person or by proxy, at the beginning of the meeting.

Majority Vote – If a quorum is present in person or by proxy, the majority vote of LUO constitutes approval except otherwise provided for in the governing documents.

Proxies – The vote allocated to a Lot or Unit may be cast pursuant to a proxy duly executed by a LUO. Proxy is void if it is not dated or purports to be revocable without notice. A proxy shall terminate eleven (11) months after its date, unless a different termination date is otherwise set forth on its face. Proxies obtained through fraud or misrepresentation are invalid.

Board Member Election at Annual Meetings – Votes for Executive Board Members at annual meetings will be taken by secret ballot. If requested by an owner, secret ballots will be used for a vote on any other matter on which all unit owners are entitled to vote. Ballots will be counted by a neutral third party or by a unit owner present at the meeting who is not a candidate who was chosen from a pool of such owners. Results of the vote will be announced without reference to any identifying information.

The RVRMA may reject a vote, consent, written ballot, waiver, proxy appointment, or proxy revocation if there is reasonable basis for doubt about its validity.

Lot or Unit Owner Participation- Lot or Unit owners must sign-in on the register listing their name, address and phone number. LUO will

be allowed to speak prior to the Board taking formal action on an item under consideration, in addition to any other opportunities to speak. Time restrictions on persons speaking will be set at the discretion of the Board. The Board will allow for a reasonable number of persons to speak on each side of an issue.

Regular Meetings of the Executive Board

Frequency – Executive Board meetings will be held once per month, and more frequently if necessary.

Notice - Meetings may be established in advance with the times, dates and places of such regular meetings. Notice will be physically posted in a conspicuous place and/or be made electronically available.

Quorum - A quorum shall be deemed present throughout any meeting of the Executive Board if persons entitled to cast at least fifty percent (50%) of the votes on the Executive Board are present at the beginning of the meeting.

Majority Vote – If quorum is present, in person, the majority vote of the directors present constitutes approval.

Lot or Unit Owner Participation- Lot or Unit owners must sign-in on the register listing their name, address and phone number. LUO will be allowed to speak prior to the Board taking formal action on an item under consideration, in addition to any other opportunities to speak. Time restrictions on persons speaking will be set at the discretion of the Board. The Board will allow for a reasonable number of persons to speak on each side of an issue. If a member has a specific agenda item, proposal, or letter, on which they would like the Board to act, they must submit this information to the Executive Director one week prior to the meeting.

RVRMA President

Date Adopted

River Valley Ranch Master Association

Purchasing and Contract Policy

I. Purchasing and Contract Policies

Pursuant to the provisions of Section 9.9 of the Amended and Restated Declaration of Protective Covenants for River Valley Ranch, the Board of Directors of the River Valley Ranch Master Association (RVRMA) is authorized to adopt rules and regulations, policies and procedures. Pursuant thereto, the Board hereby adopts this Purchasing and Contract Policy, and authorizes and directs the Executive Director or designee to implement such policy. In the event any conflict between these Purchasing and Contract Policies and the Amended and Restated Declaration of Protective Covenants, the Covenants shall control.

II. Competitive Purchasing

Before the RVRMA makes any purchase or executes any contract, and subject to the provisions hereinafter set forth, there shall be ample opportunity for competitive proposals or bids.

III. Purchasing/Contracts

- a. Any purchase that is within the approved budget and the purchase or contract amount does not exceed \$7500.00 does not require further RVRMA Board approval but shall be subject to the below Bid Requirements.
- b. Any purchase or contract that is not within the approved budget or, if provided for in the budget but the expenditure will be over the budgeted amount, requires prior Board approval and, if approved, will be subject to the below Bid Requirements.
- c. Any purchase of \$2500.00 or less may be approved by the Executive Director or the Executive Board President without the use of specifications or competitive bids.
- d. Any purchase between of \$2500.01 and \$7500.00 must have the approval of the Executive Board President and may be made without the use of specifications or competitive bids.
- e. Any purchase between \$7500.01 and \$30,000.00 must be based on at least three (3) bids by vendors deemed qualified by the Board of Directors and must be approved by the Board of Directors.
- f. Any purchase of \$30,000.01 and over requires a formal Request for Proposals (RFP) procedure. The following rules will apply:
 - i. At least three (3) vendors, deemed qualified by the Board of Directors, must be selected to receive the RFP.

- ii. If construction is involved the RFP must; include specifications which define the scope of the project, establish the start and completion dates, establish procedures for approval of extras, define the terms of payment, establish insurance, bonding, or other requirements that protect the Association from construction defects, set out final inspection and acceptance procedures, and names the person who will be the Association contact for the contractor.
- iii. The bids shall be sealed bids and will be opened at a duly called meeting of the Board of Directors.
- iv. The Board must approve the winning bid.
- v. A contract must be signed with the winning bidder unless the Board of Directors agrees that the RFP response represents a contractual relationship.

IV. Reserve Spending

Since Reserve Spending is not contained in the Operating Budget, Section III (b) shall apply except for any purchase or contract in the amount of \$2500.00 or less which is consistent with the most recent Reserve Study may be approved by the Executive Director or the Executive Board President without obtaining competitive bids.

V. Spending in Excess of Budget Limits

Each line item of the budget is to be managed within the yearly amount approved by the Board. The Executive Director may, if the overall budget allows, exceed this amount by no more than \$2500.00 cumulatively, and must report any such expenditure to the Board. Any expenditure in excess of \$2500.00 must first be approved by the Board.

VI. Emergency Procedures

Notwithstanding any of the provisions above, when by reason of emergency or immediate public necessity it is not feasible to follow the bidding procedures herein set forth or to obtain Board approval, and it is necessary to authorize the purchase of equipment, supplies or services, or emergency repair or maintenance work the President and one other Board Member shall solicit bids for the emergency purposes, and shall make certain that whenever possible the most responsive, responsible bidder has been selected.

VII. Execution of Contracts

Unless otherwise authorized by the Board of Directors, all contracts obligating the RVRMA may be executed on behalf of the RVRMA by the President.

VIII. Authorized Signatories on Checks

Payments on any purchase of contract authorized and executed in accordance with these Purchasing and Contract Policies may be made by check signed by the President of the Board, the Treasurer of the RVRMA, or the Executive Director.

IX. Definitions

Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Amended and Restated Declaration of Protective Covenants for River Valley Ranch shall have the same meaning herein.

X. Deviations

The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

XI. Amendment

This policy and procedure may be amended from time to time by the Board of Directors.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the RVRMA certifies that the foregoing resolution was adopted by the Board of Directors of the RVRMA at a duly called and held meeting of the Board of Directors held on this ____ day of _____ and in witness thereof, the undersigned has subscribed his/her name.

RIVER VALLEY RANCH MASTER ASSOCIATION, INC.

By: Matthew Hamilton

Its President

River Valley Ranch Master Association (RVRMA) Enforcement

Policy and Procedures

The River Valley Ranch Master Association (RVRMA) has a declaration of protective covenants, bylaws and rules and regulations. Article 13.4 of the Declaration empowers the Executive Board to enforce compliance to the Protective Covenants, Bylaws, Rules and Regulations of River Valley Ranch. The Executive Board deems it necessary to adopt a policy of framework for enforcement. The Protective Covenants, Bylaws, Rules and Regulations will be enforced using the following procedures:

1. The Executive Director(ED) for the RVRMA will patrol the community a minimum of once every two weeks looking for non-compliance issues.
2. If a violation occurs, the ED will notify the Lot/Unit Owner in a series of three (3) letters asking for compliance regarding the issue.
 - a. Courtesy Letter (ED will perform a follow-up)
 - b. Second (2nd) notice letter (ED will perform a follow-up)
 - c. Notice and Hearing letter in front of the Executive Board (Notice and Hearing Procedures attached)
3. If non-compliance still exists after the second notice, the issue is brought before the Executive Board. Once the issue is in front of the Executive Board, and the Executive Board finds the homeowner out of compliance, the board will determine a fine appropriate to the violation utilizing the then approved and current schedule of fines (attached).
4. The ED will then notify the Lot/Unit Owner the result of hearing and the fine amount (if determined).
5. Should a fine be imposed on the Lot/Unit Owner, the fine will be paid through a reimbursement assessment levied to the Lot/Unit owner's account as allowed by Article 10.10 of the Protective Covenants.

If a Lot/Unit owner brings a violation to the attention of the ED, then the following procedures must be followed:

1. A Lot/Unit owner must state in writing to the ED any rule violation he or she wishes to complain about.
 - a. The person making the complaint must be identified in the letter.
 - b. The person making the complaint will be called to testify at all hearings.
 - c. Committees, as well as groups of lot/unit owners, may also bring complaints.
 - d. Letter should state date and approximate time of alleged violation.
2. The ED will then notify the Lot/Unit owner in a series of three (3) letters asking for compliance regarding the issue.
 - a. Courtesy Letter (ED will perform a follow-up)
 - b. Second (2nd) notice letter (ED will perform a follow-up)
 - c. Notice and Hearing letter in front of the Executive Board (Notice and Hearing Procedures attached)

3. If non-compliance still exists after the second notice, the issue is brought before the Executive Board. Once the issue is in front of the Executive Board, and the Executive Board finds the homeowner out of compliance, the board will determine a fine appropriate to the violation utilizing the then approved and current schedule of fines (attached).
4. The ED will then notify the Lot/Unit owner the result of hearing and the fine amount (if determined).
5. Should a fine be imposed on the Lot/Unit Owner, the fine will be paid through a reimbursement assessment levied to the Lot/Unit owner's account as allowed by Article 10.10 of the Protective Covenants.

Required for this policy:

Fine schedule

Notice and Hearing Procedures

Process for complaint submissions and investigation



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THE RIVER VALLEY RANCH MASTER ASSOCIATION, INC.
COLLECTION POLICY

Adopted 3/1/08

The following resolution has been adopted by The River Valley Ranch Master Association, Inc. (the "Association") pursuant to Colorado law, at a regular meeting of the Board of Directors.

RECITALS

- A. The Association is charged with certain responsibilities regarding the care, maintenance and service of certain portions of the units and common elements.
- B. The Association must have the financial means to discharge its responsibilities.
- C. The Board of Directors has a responsibility to pursue collection of assessments and other charges from Owners pursuant to The River Valley Ranch Master Association's Declaration ("Declaration") and the Bylaws of the Association.
- D. The Board of Directors of the Association desires to adopt a uniform and systematic procedure to collect assessments and other charges of the Association.
- E. The Board of Directors believes that it is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors has retained an attorney with experience in representing homeowner associations in collections and other matters.

NOW, THEREFORE, BE IT RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

1. Due Dates. The monthly installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1st day of each month. Assessments or other charges not paid in full to the Association within 15 days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 15 days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent owner(s), the owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.

Hindman Sanchez

2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's offices.
3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$25.00 late charge for each Owner who fails to timely pay his/her monthly installment of the annual assessment within 15 days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of 18 % per annum on the amount owed for each owner who fails to timely pay their monthly installment of the annual assessment within 15 days of the due date.
4. Personal Obligation For Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.
5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a \$50.00 fee or other amount deemed appropriate by the Board of Directors shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within 15 days of the due date.
6. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
7. Application Of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of

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enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner consistent with Section 10.11 (payment in full).

8. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than 45 days delinquent, the manager is directed to send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment.

(b) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the manager is directed to send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Manager is directed to turn the account over to the Association's attorneys for collection and to file a lien. Upon receiving the delinquent account, the Association's attorneys shall send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorneys may file a summons and complaint with the court of jurisdiction. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest.

(d) In addition to the steps outlined above, the Association may also elect to suspend the voting rights and Ranch House privileges of any Owner whose account is past due at the time of such voting.

9. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment. [This is document specific.]

10. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due date (date payment due)	1st day of the month due
Past due date (date payment is late if not received on or before that date)	15 days after due date
First Notice (notice that late charges and interest have accrued)	45 days after due date
Second Notice (notice that late charges and interest have accrued, notice of intent to file lien)	60 days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	90 days after due date

The attorney is to consult with the Association at all times, to determine if payment has been arranged or what collection procedures are appropriate.

11. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a \$50.00 fee. However, if the account has been turned over to the Association's attorney, such request shall be handled through the attorney.

12. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, the Manager shall advise the Association's attorney of the same and turn the account over to the Association's attorney.

13. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

14. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorneys, the attorneys shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney is authorized to take whatever action is necessary, in consultation with the President of the

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Board of Directors, believed to be in the best interests of the Association, including, but not limited to:

- a. Filing of a suit against the delinquent Owner for a money judgment;
- b. Instituting a judicial foreclosure action of the Association's lien;
- c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests;
- d. File a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

Upon referral of any matter to the Association's attorney, the Manager, acting on behalf of the Association, shall pay the Association's attorneys their usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

15. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to: obtain payment of current assessments, reduce past due assessments; and prevent the waste and deterioration of the property.

16. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner in county court for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.

17. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

18. Notification to and Communication with Owners. The Association shall, upon request, provide all Owners with a copy of this Resolution which shall become effective upon its adoption. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

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19. Ongoing Evaluation. Nothing in this Resolution shall require the Association to take specific actions other than to notify the Owners of the adoption of these policies and procedures. Once an Owner's account is turned over to the Association's attorney, all communication regarding the account must be made through the attorney. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.

20. Defenses. Failure of the Association to comply with any provision in this Collection Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Collection Policy.

21. Amendment. This Collection Policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this Resolution was adopted by the Board of Directors of the Association this _____ day of _____, 2008.

**THE RIVER VALLY RANCH MASTER
ASSOCIATION, INC.**

By: _____
Its: President

ATTEST:

By: _____

Policy and Procedure: Reimbursement Assessment

Policy: The Executive Board may levy against any Owner or Owners a Reimbursement Assessment for purposes:

- a. of reimbursing the Master Association for all costs and expenses incurred by it in enforcing any provision of or in remedying any violation of the Master Declaration or of any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations or Master Developmental Guidelines or any approvals granted by Design Review Committee.
- b. For any other purposes for which the Master Declaration provides for the levying of a Reimbursement Assessment.
- c. As a reasonable fine against an Owner for a violation of the Master Declaration, a Supplemental Declaration, the Articles, Bylaws, or the Master Rules and Regulations.

Procedure:

Costs and Expenses: If costs and expenses are incurred by Master Association for enforcing any provision or remedying any violation as listed in (a) above, the following will be adhered to:

1. A letter will be sent to Lot/Unit Owner outlining provision or violation and will include:
 - a. Must have documentation that supports communication between two parties.
 - b. Any back-up communication necessary for clearer understanding of the problem
 - c. Work Invoice(s)
 - d. Letter from Executive Board authorizing work to be done.
2. Same letter will be copied to Association Accountant
3. Association Accountant will then add Reimbursement amount to the Regular Assessment.

Fine(s) for Violation: If a fine is levied against an Owner for a violation as listed in (c) above, the following will be adhered to:

1. A letter will be sent to Lot/Unit Owner outlining provision or violation and will include:
 - a) Provide a the Owner(s) involved with a written Statement of Violation, specifying the alleged violation, and which sets a date and time on which the matter will be heard by the Executive Board. (a quorum must be present)
 - b) Documentation that supports communication between two parties.
 - c) Any back-up communication necessary for clearer understanding of the problem.
2. Hearing date shall be set no earlier that 10 days following the date on which the Statement of Violation is given to the Owner(s).
3. The owner(s) so notified shall have the right to appear at the hearing in writing and or in person, to be represented by counsel if he chooses, to present any relevant evidence and witnesses, and to cross-examine any witnesses testifying against him.

4. Following the hearing, the Executive Board, acting by majority vote, shall determine if a violation or violations have occurred, and if so, the amount of the reasonable fine that is to be levied under the circumstances.
5. The Executive Board shall levy a Reimbursement Assessment against the offending Owner(s) for the amount of the fine so determined, and shall provide to the offending Owner(s) written notice of (i) the determination made by the Executive Board or panel, and (ii) the amount and due date of the Reimbursement Assessment, which due date shall be no earlier than 30 days after such notice.
6. Same letter will be copied to Association Accountant
7. Association Accountant will then add Reimbursement amount to the Regular Assessment.

Collection: In accordance to Article 10.11 of the Master Declaration of Protective Covenants for River Valley Ranch,

- ♦ Any assessment or portion or installment thereof which is not paid when due (or for which a bad check is issued) shall be deemed delinquent and shall bear interest from and after due date at the rate of interest set by the Executive Board.
- ♦ The Executive Board may also assess a late charge thereon.
- ♦ The delinquent owner shall also be liable for all costs, including attorney's fees, which may be incurred by the Master Association in collecting a delinquent assessment, which collection costs shall be added to the delinquent assessment.
- ♦ And other provisions outlined in Article 10.11.

River Valley Ranch Master Association Investment Policy

The River Valley Ranch Master Association (RVRMA) is responsible for managing the assets of the homeowners of River Valley Ranch. The Executive Board deems it necessary to adopt a policy for the investment of its cash. The overriding objective of the RVRMA's Investment Policy is the preservation of capital, while at the same time providing for liquidity requirements and optimizing the investment returns within the constraints of this policy. The following investment policies will be applied to all investments.

Procedures:

1. The following procedures will be followed to ensure the investment policies are consistent and appropriate for the RVRMA's current financial condition:
 - a. The Investment Policy shall be reviewed annually and otherwise as necessary by the Finance Advisory Committee and/or the Board Treasurer and the Executive Director for any revisions.
 - b. The Association will use a term-laddered approach to investments with money market, short term and medium term treasury bills and certificates of deposit not to exceed two (2) years.
 - c. The CD's will be spread between institutions so that all are insured under FDIC.
 - d. It will be the responsibility of the Finance Advisory Committee of the Executive Board and/or the Board Treasurer and Executive Director to identify and recommend specific investments.
2. To provide oversight on the investments, and to ensure compliance with the investment policies, the following procedures will be followed:
 - a. The Executive Board Treasurer and Executive Director will review Investment Account Statements and Financial Statements, on a monthly basis. Any accounts exceeding the FDIC insured limits will be noted.
 - b. The Executive Director will provide the Treasurer and Accountant with any information regarding operational or reserve needs to determine if the excess in the account can be moved to a liquid investment account.
 - c. The Executive Board Director and Treasurer will then agree on a dollar amount and the investment account to move out of the cash account which is in excess of FDIC limit.
 - d. The same procedure will be used for operational cash as well as reserves and capital cash reserve investment accounts.
 - e. If an investment instrument is coming to maturity, then the Treasurer and Executive Director will identify and reinvest per policy 1(b) above.
 - f. The Executive Board will receive a report at each monthly meeting.

RVRMA President

Date Adopted

Special Hearing Procedures (Variance, Covenant Violation, DRC Violations)

1. Must have documentation that supports communication between two parties.
(Variance request forms, courtesy and violation letters, construction violation letters)
2. A written Statement of Violation which specifies alleged violation(s) and which sets a date and time on which matter will be heard by the Executive Board (at least a quorum must be present) or by a panel appointed by the Executive Board.
3. The hearing date shall be no earlier than 10 days following the date on which the Statement of Violation is given to the owner.
4. The owner(s) so notified shall have the right to appear at the hearing in writing and/or in person, to be represented by counsel if he chooses, to present any relevant evidence and witnesses, and to cross-examine any witness testifying against him.
5. Following the hearing, the Executive Board or the appointed panel, acting by majority vote, shall determine if a violation or violations have occurred, and if so, the amount of the reasonable fine that is to be delivered under the circumstances. If the hearing is before a panel, the panel shall deliver its written determination to the Executive Board, which shall in turn levy the Reimbursement Assessment.
6. The Executive Board shall levy a Reimbursement Assessment against the offending Owner(s) for the amount of the fine so determined, and shall provide to the offending Owner(s) written notice of (i) the determination made by the Executive Board of panel, and (ii) the amount and due date of the Reimbursement Assessment, which due date shall be no earlier than 30 days after the giving of such notice.

Policy Resolution – RVRMA Staff Treatment

Within the The Ranch House Swim and Tennis Club Policies revision of October 29, 2002, the previous policies read:

7. Members and their guests may not abuse any of the Ranch House's employees, verbally or otherwise. All service employees of the Ranch House are under the supervision of the General manager and no member or guest shall reprimand or discipline any employee, nor shall a member request an employee to leave the Ranch House facilities for any purpose whatsoever. Any employee not rendering courteous and prompt service should be reported to the General Manager immediately.
8. Management reserves the right to remove involved parties from the facility who are engaging in behaviors that are destructive to property, against policies set forth for use of the Ranch House, unsafe to fellow members or in other ways disruptive to staff, members, and/or the intended nature of the facility, In such instances where inappropriate behavior continues, Member or guests will have their Ranch House privileges suspended for period of time to be determined by the RVRMA Executive Board.

Proposed:

Whereas, the Executive Board of the River Valley Ranch Master Association, here and after referred to as RVRMA, is empowered to adopt Master Rules and Regulations of the Homeowner Association pursuant to Article 9.9 of the Master Declaration of Protected Covenants for River Valley Ranch.

Whereas, there is a need to amend the previous rule on the treatment of Ranch House staff by Members and there guests, previously submitted in the The Ranch House Swim and Tennis Club Policies revision of October 29, 2002.

Whereas, it is the intent that this rule shall be applicable to all owners, tenants, guests, invitees, or any others who utilize the common areas and this resolutions shall remain in effect until otherwise rescinded, modified, or amended by a majority of the Executive Board.

Now, therefore be it resolved that the following rules on the treatment of staff are hereby adopted by the Executive Board:

Revised General Ranch House Policies # 7 and #8 shall read:

Owners and their guests may not abuse any of the River Valley Ranch Master Association employees, verbally or otherwise. All service employees of the RVRMA are under the supervision of the Executive Director and no owners, tenants, guests, invitees, or any others who utilize the common area facilities shall reprimand or discipline any employee. Any employee not rendering courteous and prompt service should be reported to the Executive Director immediately.

Management reserves the right to remove involved parties from common area facilities who are engaging in behaviors that are destructive to property, against policies set forth for common area use by the RVRMA, unsafe to fellow owners, guests or invitees, and/or in other ways disruptive to staff, owners, guests or invitees. In such instances where inappropriate behavior continues, Owner or guests may have their common area privileges suspended for period of time to be determined by the RVRMA Executive Board.

Policy Resolution – Certificate of Compliance

Within the The Master Declaration of Protective Covenants for River Valley Ranch, Article 4.17 (a)(b)(d) reads:

- (a) Upon the completion of any Improvements (excepting the related landscaping) for which plans and specifications have been approved by the Development Review Committee, the Owner shall submit to the Committee a written Application for a Certificate of Compliance, on a form to be provided by the committee, which Application shall certify that the Improvements have been completed in accordance with the approvals granted by the Committee and with the Master Development Guidelines. Until receipt of such Application, the Committee shall not be deemed to have any notice regarding completion of the Improvements.
- (b) Within twenty-one (21) days following receipt of the Application, the Development Review Committee or its duly authorized representative shall inspect the Improvements. If the Committee finds that the Improvements have not been completed in accordance with the approvals granted by the Committee and/or with the Master Development Guidelines, it shall notify the Lot or Unit Owner in writing of such noncompliance within said twenty-one (21) day period, specifying the particulars of noncompliance and shall request the owner to remedy the same.
- (d) When the Development Review Committee is satisfied that the Improvements have been completed in accordance with the approvals granted by the Committee and with the Master Development guidelines, it shall issue to the Owner a Certificate of Compliance with respect to said Improvements. No newly-constructed residence on a Lot shall be occupied until a Certificate of Compliance has been issued therefore and a Certificate of Occupancy as required by the Town of Carbondale has been issued therefor.

Proposed:

Whereas, the Executive Board of the River Valley Ranch Master Association, here and after referred to as RVRMA, is empowered to adopt Master Rules and Regulations of the Homeowner Association pursuant to Article 9.9 of the Master Declaration of Protected Covenants for River Valley Ranch.

Whereas, Article 4.17 (a-d) is silent on the ability to issue a Certificate of Completion and return an Owner's Damage and Performance Deposit when inspection of Improvements cannot be made due to unfavorable climatic conditions.

Whereas, it is the intent that this rule shall be applicable to all owners, who are performing Improvements to a Lot or Unit and this resolution shall remain in effect until otherwise rescinded, modified, or amended by a majority of the Executive Board.

Now, therefore be it resolved that the following Policy Resolution to Article 4.17 (a-d) Certificate of Compliance is hereby adopted by the Executive Board:

In the event an Owner makes application for a Certificate of Compliance and is subsequently denied and provide a written letter of non-compliance issues; and, in the opinion of the Design Review Committee or Executive Director, a full inspection cannot be verified due to climatic conditions; or, a determination of damage to an underground utility cannot be verified due to climatic conditions until system can be activated, the Design Review Committee shall have the authority to retain a portion of the Damage and Performance deposit as deemed appropriate by the Committee until improvements or damage assessments can be completed.

The expense of the initial and follow up Compliance inspections shall be borne by the Master Association. All subsequent inspections will be paid for by lot owner. Fees charged will be reimbursed to River Valley Ranch Master Association (RVRMA) via deduction from the Lot Owners Damage and Performance Deposit.

Policy Resolution – Member in Good Standing

Within the The Master Declaration of Protective Covenants for River Valley Ranch, Article 4.9 Submission of Plans, Specifications and Data reads:

Prior to commencement of work to accomplish any proposed Improvements, the Owner proposing to make such improvements shall submit to the Development Review Committee such descriptions, surveys, plot plans, excavation plans, drainage plans, elevation drawings, construction plans, landscaping plans, specifications, and samples of materials and colors as the Development Review Committee shall reasonably request showing among other things the nature, kind, shape, height, width, color, materials, and location of the proposed Improvements. The Owner shall also inform the Development Review Committee of the identity of the Owner's proposed Builder. All submissions shall conform to and be in accordance with the Master Development Guidelines established pursuant to Section 4.6. The Owner shall be entitled to receive a receipt for the same from the Development Review Committee or its authorized agent. The Development Review Committee may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed Improvements. Until receipt by the Development Review Committee of all required information and materials in connection with the proposed Improvements and Builder, the Development Review Committee may postpone review of the application.

Proposed:

Whereas, the Executive Board of the River Valley Ranch Master Association, hereinafter referred to as RVRMA, is empowered to adopt Master Rules and Regulations of the Homeowner Association pursuant to Article 9.9 of the Master Declaration of Protected Covenants for River Valley Ranch.

Whereas, Article 4.9 - Submission of Plans, Specifications and Data is silent on Owner/Member (hereinafter referred to as "Member") requirements to be members in good standing in order to make such improvements.

Whereas, it is the intent that this Policy Resolution shall be applicable to all Members who are proposing to make improvements to a Lot or Unit, constitute a Master Rule and Regulation, and shall remain in effect until otherwise rescinded, modified, or amended by a vote of a majority of the Executive Board.

Now, therefore be it resolved that the following Policy Resolution to Article 4.9 Submission of Plans, Specifications and Data is hereby adopted by the Executive Board:

1. Prior to commencement of work to accomplish any proposed Improvements, the Member proposing to make such improvements, must be a Member in good standing. As used herein, "good standing" shall mean and refer to (a) a Member who is not delinquent in the payment of any assessment or fee levied by the Association against the member or any property owned by the Member, or any interest, late charges, costs or reasonable attorney's fees added to such assessment pursuant to the provisions of the Declarations or as provided by law, unless the Member has entered into an agreement with the RVRMA for the payment of all sums due and the Member is not in default of the agreement, (b) a Member who does not have any condition on property owned by that Member and/or related parties to that Member which violates any provision of the Declaration for which formal notification of noncompliance has been issued by the RVRMA, or beyond.
2. In such cases where owner/builder has history of non-compliance during building process, the Design Review Committee has the right to require a greater Damage and Performance Deposit for that Owner/Builder. The Owner/ builder may appeal the amount requested before the Executive Board.