

**RESOLUTION
OF
RIVER VALLEY RANCH MASTER ASSOCIATION
REGARDING COMMUNITY GOVERNANCE**

SUBJECT: Establish a policy for the Governance of River Valley Ranch and the Board Policies and Procedures.

PURPOSE: To provide notice of the Association's adoption of a Resolution which more specifically establishes the relationships between and among the various bodies responsible for the management of the RVRMA.

AUTHORITY: The Amended and Restated Master Declaration of Protective Covenants for River Valley Ranch, as amended, and Colorado law.

EFFECTIVE DATE: April 28, 2010

RESOLUTION:

The Association hereby gives notice of its adoption of a Resolution regarding the governance of the River Valley Ranch Master Association:

WHEREAS, it is the mission of the RVRMA to maintain, protect and enhance the value of property and the quality of life of the River Valley Ranch residential community.

NOW THEREFORE, the Board adopts the following to set forth the Association's policy in relation to governance:

This document together with the Articles of Incorporation, the Declaration of Protective Covenants as amended, the Bylaws and the Association Policies and Rules provide the governing documents for the River Valley Ranch Master Association.

The hierarchy of authority begins with the Members who make up the Association by electing a Board of Directors. The role of the Board is to represent the Members and to set goals and policies that benefit the general welfare of the community. Residents express their concerns and wishes to the Board. The Board exercises its authority by hiring a manager or managers. The Board sets guidelines and policies for Management and provides oversight to insure that the Board's expectations are fulfilled.

Management is the instrument of the Association to effectuate policy. Management has the authority to carry out the day-to-day business of the Association. Management follows Board directives and creates and implements subsidiary policy to achieve these directives. Board policies and directives are channeled to Management through the Chairperson of the Board. Policies and directives require a

majority vote of the Board. Management shall also make responsible decisions in those areas that are not explicitly covered by Association policy or by Board directives.

The Board of Directors shall work cooperatively with Management to prepare an annual budget each year. A portion of the Association funds shall be placed in a reserve as a result of a physically and financially based reserve study to meet future costs of repair or replacement of facilities and major equipment. The amount of funds held in reserve shall be determined by the Board. Reserve funds shall be invested conservatively within risk levels determined periodically by the Board. The Board and Management will insure that accounting procedures follow generally accepted accounting principles.

When there are Members of the Association whose experience or professional training provide expertise that is relevant to Association operations, it is appropriate for those individuals to confer with Management and offer suggestions and recommendations in regard to procedures and best practices. Management shall provide information regarding RVRMA requested by said Members, unless such information is confidential in nature or would require extraordinary staff time and/or expense.

The Board of Directors can appoint committees to research issues, provide guidance and make recommendations to the Board with the purpose of enhancing the operational efficiency of the organization and/or improving the quality of life for the residents. Committees are advisory only and serve at the behest of the Board. The function of committees is to assist the Board in doing its job.

Covenants, rules and regulations shall be enforced equally for all members of the Association. In the event that a dispute cannot be resolved with Management, a member is entitled to a hearing before the Board. The majority decision of the Board shall be final.

If an issue under discussion by the Board would produce a unique personal gain for any Board Member that Member shall disclose this information while participating in discussion of the issue and shall not vote on the issue.

Meetings of the Board shall be conducted in accordance with Robert's Rules of Order and minutes of the business discussed and actions taken shall be recorded. Board meetings shall be open to all members of the Association at all times, excepting Executive Sessions as defined by Colorado law. Agendas for meetings of the Board shall be provided to all members of the Association at least 72 hours prior to the meeting. If a meeting covers the development, adoption and amendment of Association policies, procedures or rules, notice of the meeting shall be given not less than 30 days prior to the meeting.

Interactions among Board members shall be conducted with civility and mutual respect. All members of the Board shall have available to them all written information related to the responsibilities and operation of the Association obtained by any other member of the Board.

Policies and actions of the Association must conform to local, state and federal law.

PRESIDENT'S

AND

SECRETARY'S

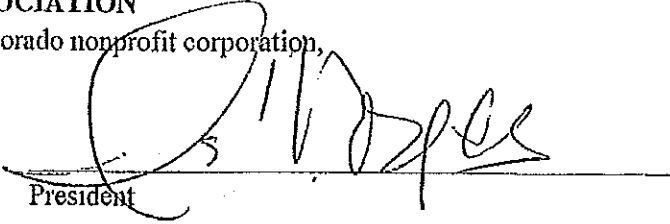
CERTIFICATION: The undersigned, respectively being the President and Secretary of the River

Valley Ranch Master Association, a Colorado nonprofit corporation, certify that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on April 28, 2010, and in witness thereof, the undersigned have subscribed their names.

**RIVER VALLEY RANCH MASTER
ASSOCIATION**

a Colorado nonprofit corporation,

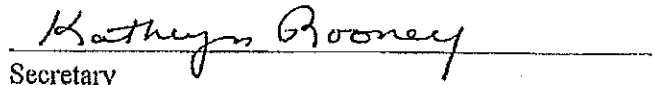
By:



President

ATTEST:

By:



Secretary

