

ALPINE LAKES RANCH PROPERTY OWNERS ASSOCIATION POLICY LIST

The following is the list of policies. The actual policy words follow on subsequent pages.

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POLICY WORDS

The *italicized* words are the text of the policy. Non-italicized words may be leadins, or otherwise attempts at clarification.

- 00) Adoption or amendment of a policy or procedure:
 - a) *Adoption or amendment of any policy or procedure shall be performed only at a meeting of the Board which is open to all Members/Owners or their representatives.*
 - b) *The Board shall consider the following criteria when adopting or amending a policy or procedure:*
 - *Reasonableness and necessity;*
 - *Impact does not create separate groups of Members/Owners;*
 - *Clear and unambiguous;*
 - *Reasonably relates to the preservation, protection and enhancement of property values; and*
 - *Consistent with (i) the Association's governing documents; (ii) applicable*

- federal and state statutes and case law; and (iii) local laws and ordinances;*
- c) Adoption or amendment of any policy or procedure requires an affirmative vote of a majority of members of the Board members who are in attendance at the meeting.*
 - d) Any policy or procedure and any amendment shall be effective fifteen days after delivery of written notice to each Member/Owner (including posting on the Association's web site) of its adoption.*

01) How to get on the BoD Meeting Agenda:

At least 5 days before the BoD Meeting, the letter that an ALR Property Owner would like to read or have read must be in the Secretary's possession (either hardcopy or e-mail).

The BoD will review the letter and if it is determined to be a Board matter, the subject will be placed on the Agenda for the upcoming meeting. If it is determined that the subject matter is not a Board concern, the letter will be placed on file, it will not be discussed at the meeting, it will not go into the meeting minutes, and an appropriate response will be sent to the property owner.

02) BoD Meeting Decorum:

The BoD Meeting is run by Robert's Rules of Order.

ALR Property Owners may come as guests; however, the BoD requests the Secretary be notified at least one (1) day prior to the meeting, so that the BoD knows the total attendance for logistical reasons. If a motion is under discussion by the Board, prior to the Board voting on the motion, a reasonable number of Property Owners will be permitted to speak for a reasonable time on that issue. Otherwise, only Directors and appropriate Committee Members will be allowed to speak unless an ALR Property Owner has requested time on the agenda via the "How to get on the BoD Meeting Agenda" policy.

Obviously, outside of motion discussions, there may be times when a guest may feel the need to speak up, and this may be allowed based on time limits, the content of the discussion, and at the Board's discretion.

03) Response to Letters and E-Mails:

Your BoD would like to respond to all letters and e-mails from ALR Property Owners whether or not they were requested to be on the agenda. In order to achieve this goal:

The BoD will take each correspondence and assign it either to the appropriate Director or to a Director who is able to respond the quickest based on current workloads. That Director will write up an initial response and circulate it in accordance with the "BoD Mechanism to circulate E-Mails" process to all of the other Directors for input and/or approval. Once a consensus response has been finalized, it will be sent to the property owner who sent the inquiry.

Some requests and the response may be important enough to share with all ALR Property Owners, so the response may be sent to all. The original letter may be shared with all if the property owner who made the initial inquiry so desires.

04) BoD Mechanism to circulate E-Mails:

In order to limit the amount of e-mails the BoD circulates to each other and to provide a way to have all Directors' comments be in one e-mail for ease of reading the BoD has established an E-Mail Distribution Process.

The originator (who would like all Directors' input on a subject) will write up the original e-mail and send it to all of the other Directors. Each Director edits the document as they see fit and sends it back to ONLY the originator. Once the originator has received input from all of the other Directors, the originator will incorporate the suggestions into one document and forward it to ONLY the President. The President will read the final document to determine if there are any issues or controversy. If not, the President would respond back to the originator with the final ok to take the appropriate action. If there are issues or a controversy that the President thinks should place a hold on the action, then the subject is too important to resolve via e-mail.

05) Business On ALR:

If a business has no impact on the ranch and takes place in the privacy of a property owner's home and is otherwise not in violation of our Covenants, it is not necessary nor appropriate for the BoD to approve or disapprove it.

06) Request For BoD Action:

All requests for Board action must be in writing and the request must deal with the specific issue the member is concerned with and clearly identified as a request. Requests cannot be verbal or buried within a report or long letter dealing with multiple concerns. Each request must be clearly communicated to the Board.

07) Letters To The Board:

At the discretion of the BoD, any letters that name "Names" in a manner that could be interpreted as inflammatory or otherwise derogatory may be placed on file instead of going into the BoD Meeting Minutes.

08) DELETED (Annual Assessment Installment Policy:)

09) Water Company Communications To Property Owners:

The Water System is owned by the ALR Property Owners Association and the Water Company (WATCO) is a separate corporation set up to maintain the Water System.

Any communications to the POA membership from WATCO (other than normal WATCO business communications such as billing) should be reviewed by the ALR POA Board Of Directors and sent out via the ALR POA communications channels.

10) Water Company Request For POA Funding:

Per the lease agreement between WATCO and the POA:

- a) WATCO has financial responsibility for new equipment that replaces existing equipment,

- b) POA has financial responsibility for new equipment that does not replace existing equipment, new equipment that is required by state mandate, and expansion of the water system.

WATCO may spend up to \$500 for new equipment that is the POA's financial responsibility without seeking prior approval. WATCO must notify the POA of the expenditure as soon as possible.

WATCO may incur expenses that are the POA's financial responsibility without seeking prior approval in the case of an emergency (failure of the system or health or safety issue), or if a higher cost would be incurred due to delay. Every attempt must be made by WATCO to contact the POA BoD prior to incurring the expense.

In any event, the expenditure eventually must be approved by a majority vote of the POA BoD either at a regularly scheduled BoD meeting, or in accordance with the "Voting Actions Performed Outside a BoD Meeting" policy process prior to payment.

WATCO requests for POA funds must be in a written request and shall include:

- a) At least two (2) competitive bids/estimates. In the event or circumstance in which two (2) bids/estimates are not possible, a written statement must be submitted by WATCO to the POA BoD stating the reasons why,*
- b) Written bids/estimates from each potential contractor which shall include a description of the work to be performed, specifications, assumptions, and, if applicable, any possibilities for higher costs,*
- c) Where new equipment is required, WATCO shall include a description of the equipment, why it is necessary, where it is to be used, and at least two (2) competitive bids/estimates/quotes.*

And shall result in WATCO agreeing to:

- d) The POA president shall sign all contracts,*
- e) WATCO shall provide notification to the POA BoD of meetings with contractors to enable POA BoD members to attend,*
- f) WATCO shall keep the POA BoD up to date on work progress as it happens,*
- g) WATCO shall inform the POA BoD whenever additional cost is expected to be incurred,*
- h) WATCO shall provide notification to the POA BoD of regular and special meetings at which POA funded work is to be discussed,*
- i) WATCO shall provide a letter to the POA BoD stating the reasons for selecting the contractor or new equipment.*

11) Voting Actions Performed Outside a BoD Meeting:

There may be times when a vote on a matter (such as payment of a bill) should not wait until the next scheduled BoD Meeting. Per our By-Laws, the BoD may handle the matter via telephone and/or electronic communications. The mechanism for that process and proper documentation of the action are:

A motion, a second for the motion, and discussion of the motion may be

performed via telephone or e-mail communications. Subsequently, the motion, the second for the motion, and discussion notes, if any, shall be placed in an e-mail and sent from the Board President to the Vice President. The Vice President may update discussion notes and shall add their Name/Board Position/Vote, and electronic signature to the e-mail and forward it on to the next Director in the e-mail chain, and copy (Cc.) the President so the President can track the voting progress. That next Director and subsequent Directors will take the same action. When the e-mail chain has completed (the Board President receives back the total e-mail with all of its forwarded attachments), the Board President shall notify the BoD of the results of the vote and send the total e-mail to the Board Secretary for records retention. At the subsequent BoD Meeting, the motion, second, discussion notes, and vote results shall be announced so that the action is documented in that meeting's minutes.

The e-mail chain order is:

President sends to Vice President,
Vice President sends to Secretary,
Secretary sends to Treasurer,
Treasurer sends to Architecture,
Architecture sends to Grazing,
Grazing sends to Roads,
Roads sends to President.

12) Financial Records:

The ALR POA financial assets are the property of all property owners and the financial records are the property of all property owners.
Upon request, the Treasurer shall provide copies of any bank statements and account transaction registers from the financial tool unless prevented from doing so by litigation that the BoD is involved in. The preferred mechanism is to provide the copies as an electronic file attachment to an email. If a property owner requests paper copies, the property owner may be billed for duplication and mailing costs.

13) Working Sessions:

It has been determined that BoD Meetings are not the place to work on issues, rather just the place to finalize and document the decisions. Per our Bylaws, the BoD is allowed to have working sessions.
At a regular BoD Meeting, dates and subject matters of future Working Sessions will be decided upon. At those subsequent Working Sessions, the details of the subject matter(s) will be developed, and while a consensus or decision may be reached, no motion or vote shall take place. The subject matter(s) results shall be presented at the next BoD Meeting where the official actions (motion, second, discussion, and vote) shall take place or in accordance with the "Voting Actions Performed Outside a BoD Meeting" policy.

14) Expense Payment Approval:

Up to \$250 budgeted expense requires no approval.

Over \$250 budgeted/unbudgeted requires Board approval.

Over \$5000 budgeted/unbudgeted requires Board approval and 2 signatures.

Expense not in the budget/over budget requires Board approval.

The president and the treasurer will be the approved signatures.

15) Registered Agent Policy:

The Treasurer will be the registered agent for Alpine Lakes Ranch Property Owners Association Inc. A new Treasurer will change the registered agent to his or her name and set up email notification on the web site for the Colorado Secretary of State / Business Center / Summary. If applicable, the Treasurer will file the Annual Report with the Colorado Secretary of State.

Here is the Web site to change the registration:

http://www.sos.state.co.us/biz/BusinessEntityDetail.do;jsessionid=000022Xq_K-xv9RF3rngKcedfND:11nm16ef4?entityId2=19941033121&masterFileId=19941033121&nameTyp=ENT&srchTyp=ENTITY

16) Alternative Dispute Resolution:

Finding that the cost and delay of litigation is often an inefficient means of resolving disputes between owners and the Association, the Association wishes to encourage mediation as an alternative to litigation in situations where it may bring an action against an Owner(s) (the "Parties" when hereinafter referring to the Association and Owner(s) collectively). The Association hereby adopts the following mediation policies and procedures:

- 1. Definition. Mediation is a processes involving the intervention of a trained, acceptable, neutral third party (with no decision-making power) to assist contending parties in voluntarily reaching their own mutually agreed-upon settlement of issues in dispute.*
- 2. Notice. The Board shall provide the Owner or group of Owners against whom it intends to file suit with written notice of its intent and the Owner(s) option to submit to mediation instead (the "Mediation Notice"). Except as provided in Section 4 below, the Mediation Notice shall be provided thirty (30) days prior to filing suit. The Mediation Notice shall state clearly and with reasonable specificity, (i) the name, address and phone number of the Owner(s) against whom action is intended; (ii) the nature of the claim; (iii) the legal basis of the claim with reference, where applicable, to the allegedly violated section(s) of the Declaration, Bylaws, Articles of Incorporation or Rules and Regulations (the "Governing Documents"); (iii) the remedy sought; (iv) the option of the Owner(s) to request mediation and that that request must be made to the Association in writing; and, (v) the Owner(s) shall be responsible for all mediation fees [except that the Owner(s) shall not be required to pay the fees associated with any claim upon which it is successful]. Sufficiency of the Mediation Notice shall be assumed adequate for the purposes of mediation and*

shall not be deemed proper notice for subsequent litigation. Mediation Notice shall be considered given when placed into the United States mail firstclass postage prepaid.

3. Mediation.

- (a) Upon receipt of Mediation Notice, the Owner(s) shall have thirty (30) days in which to provide the Association with written notice of acceptance of the Association's offer to submit to mediation (the "Acceptance Notice"). The Acceptance Notice shall state that the Owner(s) wishes to resolve the matter through mediation and that it understands that it will be responsible for the fees associated with the mediation. If the last day of the Mediation Notice period falls on a weekend or public holiday, the Owner(s) shall have until the following business day to provide the Association with the Acceptance Notice.*
- (b) Except as provided by Paragraph 4 below, upon receipt of the Acceptance Notice, the Association shall submit to mediation .*
- (c) Mediation shall be conducted under the American Arbitration Association Rules for Mediation.*
- (d) All costs, with the exception of conference and study time, shall be the responsibility of the Owner(s) requesting mediation.*
- (e) Mediation shall be conducted within the state of Colorado at a location mutually agreed to by the Parties.*
- (f) If the Owner(s) does not appear at the mediation session, the Association shall have the immediate right to file suit.*
- (g) Settlement of all claims through mediation shall be documented in writing, signed by the Parties and filed with the records of the Association within seven (7) days of the Negotiation Session.*

- (h) If the Parties are unable to settle their claims within thirty (30) after submission to mediation, or within such other time to which the Parties have agreed, the mediator shall issue a notice of termination of the mediation ("Termination Notice"). The Termination Notice shall state the date of termination, the issue(s) in dispute and that the parties are unable to settle their claims. Upon issuance of the Termination Notice, the Board shall have the right to file suit without engaging in further alternative dispute resolution.*

Notwithstanding the above, the Association has no obligation to mediate any dispute arising out of any activity, circumstance or condition over which it has the power to act in accordance with Section 4 below.

4. Exceptions. *Notwithstanding the above, the Association shall have no duty to engage in mediation for the following actions or circumstances:*

- (a) any suit by the Association for recovery of one or more installments of unpaid assessments or other amounts due to the Association;*

- (b) any suit by the Association to obtain a temporary restraining order, injunction or such other ancillary relief as the court may deem necessary to preserve the Association's ability to act under and enforce the provisions of the Governing Documents;
- (c) any suit exclusively between Owners, in which the Association is not involved as a party;
- (d) any suit in which the statute of limitations is to expire within less than six (6) months. However, although not obligated, the Association may agree to engage in mediation that is conducted simultaneously to litigation; or
- (e) in the case of a suit brought against multiple Owners, upon expiration of the thirty (30) day noticing period, the Association may pursue litigation against any Owner(s) not requesting mediation.

17) Annual Meeting Date Selection:

At a previous ALRPOA Annual Meeting, the membership voted to hold the ALRPOA Annual Meeting on the Saturday following the July 4th weekend. Typically the ALR Water Company (WATCO) and the ALR Ditch and Reservoir (ALRDRC) Company schedule their Annual Meetings on the Friday before the ALRPOA Annual Meeting. In order to coordinate the ALRPOA Annual Meeting with the Annual Meetings of WATCO and ALRDRC, the following procedure shall be followed:

At the regular March ALRPOA BoD Meeting, the Vice President shall bring a letter addressed to WATCO and ALRDRC stating the date, location, and decorum of the ALRPOA Annual Meeting. Typically this date will be the Saturday following the Fourth of July when July 4th falls on Saturday, Sunday, Monday, or Tuesday; otherwise, it will be the second Saturday following the Fourth of July when July 4th falls on Wednesday, Thursday, or Friday. The date, location, decorum, and letter wording shall be approved at this March meeting and the letter sent to WATCO and ALRDRC as soon as possible after this meeting. Phone calls and/or e-mails to WATCO and ALRDRC may be utilized prior to and/or after this March meeting to attempt a coordinated set of meetings.

At the regular April ALRPOA BoD Meeting, the date, location, and decorum of the ALRPOA Annual Meeting shall be finalized and communicated to the ALRPOA Membership as soon as possible after this meeting. Should the set of Annual Meetings of these three Companies end up not being on a consecutive Friday and Saturday, the ALRPOA BoD shall document its reasons why this occurred in the April minutes.

18) Subdividing a Parcel:

The Alpine Lakes Ranch Declaration, Article XII. LAND USE, states "Further subdivision of less than thirty-five acres is prohibited. Any subdivided parcel will be covered by these Covenants and become an automatic member of the Alpine Lakes Ranch Property Owners Association."

Therefore, the only parcels that can be subdivided to create additional 35 acres or larger parcels are those that are 70 acres or more in size. The following are the

requirements that must be met to receive approval from the ALRPOA to subdivide your parcel.

- 01) *Must have Archuleta County approval to subdivide.*
- 02) *Original parcel must be 70 acres or more.*
- 03) *The resulting subdivision shall not create any parcel less than 35 acres.*
- 04) *The resulting parcels shall abide by and conform to any existing easements, as well as any other legal agreements entered into by the parcel owner and ALRPOA.*
- 05) *Each of the resulting parcels must have a driveway access directly from either an ALR road or a county road. No flag parcels shall be allowed (A flag parcel is one that requires a driveway easement through another parcel).*
- 06) *Each of the resulting parcels must have direct access to ALR utilities. In other words, no easements through another parcel to gain access to utilities shall be allowed.*
- 07) *Unless there are special circumstances which the parcel owner requests the ALRPOA to consider, the minimum frontage to an ALR or county road of any and all resulting parcels shall be 60 feet to allow for:*
 - a) *Placement of the driveway at least 25 feet from either side boundary,*
 - b) *A minimum 10 foot wide driveway,*
- 08) *Each of the resulting parcels must have acceptable building sites that conform to the ALR Declaration setback requirements.*
- 09) *Unless there are special circumstances which the parcel owner requests the ALRPOA to consider, the resulting subdivision shall not affect existing utility connections.*
- 10) *New Water Taps will be allowed only after ALRPOA is satisfied that the additional tap(s) can be served by existing water production capabilities.*
- 11) *All resulting Water Taps must be paid for at the going POA Water Tap Fee prior to approval.*

Alpine Lakes Ranch Ditch & Reservoir Company (ALRD&RCO) requirements:

Should the original parcel have irrigation water shares, the following requirements must be met:

- 01) *The total number of shares allocated to the resulting subdivided parcel(s) shall equal the number of shares allocated to the original parcel.*
- 02) *No new ditches shall be created that could become the responsibility of the ALRD&RCO.*
- 03) *Each irrigated parcel shall have access to an ALRD&RCO primary ditch for getting water from its own gate. Multiple parcels shall not share a gate.*
- 04) *Any and all secondary ditches created to move water from the ALRD&RCO primary ditch to a subdivided parcel must have easements legally resolved as part of the subdivision process. The labor and costs for these efforts shall not be the responsibility of the ALRD&RCO.*

05) Agreement from ALRD&RCO shall depend on an ALRD&RCO analysis to determine if the resulting share, gate, and/or ditch reconfiguration will affect irrigation flow or scheduling.

19) More Policies To Come?