

**AMENDMENT AND RESTATEMENT OF POLICIES AND
PROCEDURES
OF
ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

Adopted: September 30, 2015

In compliance with the Colorado Common Interest Ownership Act (the "Act"), the Board of Directors (the "Board") of the Alpine Lakes Ranch Property Owner's Association, Inc. (the "Association") has adopted the attached Responsible Governance Policies and Procedures and has added and restated policies and procedures already in place.

These Policies and Procedures may be amended, modified, and supplemented from time to time by the Board.

Authority for the adoption and amendment of these Policies and Procedures is granted by the Act and by the Colorado nonprofit corporation law.

Capitalized terms used herein if not otherwise defined shall have the same definition as found in the Declaration of Protective Covenants for Alpine Lakes Ranch, Inc., as amended (the "Declaration"), or in the Articles of Incorporation or Bylaws of the Association (collectively, the "Governing Documents").

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ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Policy #1 - Collection of Unpaid Assessments

1. *Due Date.* All annual assessments are due on the 1st day of January. Special assessments and default assessments, if any, are due on the date specified in the written notice thereof provided to the Owners by the Association. If the due date falls on a weekend or state or federal holiday, the Association's receipt of payment on the next business day will be considered timely.
2. *Delinquency.* When an Owner fails to pay any assessment on or before the due date, the assessment shall be delinquent.
3. *Collection Actions.* If an assessment becomes delinquent, the Association, in its sole discretion, may take any or all of the following

actions:

- (a) Assess a late charge for each delinquency in the amount set forth below;
- (b) Assess an interest charge from the due date at the rate set forth below;
- (c) Suspend the voting rights of the Owner during any period of delinquency;
- (d) Bring an action at law against any Owner personally obligated to pay the delinquent assessments;
- (e) Proceed with foreclosure as set forth in ARTICLE XVIII of the Declaration and as provided in the Act; and
- (f) Whether or not foreclosure is commenced, apply for the ex parte appointment of a receiver for a Unit.

4. *Interest Rate.* Interest shall accrue on all delinquent amounts at the rate of eighteen percent (18%) per annum, uncompounded.

5. *Late Charge.* The Association may impose a late charge of \$15.00 for each delinquency.

6. *Returned Check Fee.* Any bank charge incurred by the Association due to a check returned by the bank for insufficient funds, a stop payment order, or any other reason, will be charged back to the Owner, and the Association may impose an administrative fee of \$20.00 in addition to any such bank charge.

7. *Attorneys Fees.* The Association may recover its collection costs and reasonable attorney fees and costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner, without the necessity of commencing a legal proceeding.

8. *Collection Procedure.*

(a) The Alpine Lakes Ranch Annual Assessment Fee Invoice will be mailed to all property owners on or before December 1st. The Assessment will be due on January 1st and past due on January 31st.

(i) On February 1st an email will be sent to all property owners who have not paid their assessment informing them their Assessment is past due.

(ii) On February 15th the Alpine Lakes Ranch POA Treasurer will send a late invoice with a \$15.00 late fee added. Included will be a warning to the property owner that an intent to lien will be sent if payment is not received by February 28th.

(iii) On March 1st The Treasurer will send a certified/return receipt letter to any owner that is past due, including a cover letter and a Notice of Intent to File Lien giving the owner 15 days from the date mailed to pay the assessment.

(iv) On March 18th, a lien will be filed with the County of Archuleta against the property owner that is delinquent.

(v) At this time a service fee of \$100.00 will be charged to the property owner.

(b) The Association may take such actions to collect the unpaid amounts as provided in the Act and the Declaration.

(c) Notwithstanding the foregoing, before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association shall send the Owner a notice of delinquency specifying:

(i) the total amount due, with an accounting of how the total was determined;

(ii) whether an opportunity to enter into a Payment Plan (see Section 10 of this Policy) exists and if so, instructions for

contacting the Association to enter into such a Payment Plan;

(iii) the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and

(iv) that action is required to cure the delinquency and failure to do so within thirty (30) days may result in the Owner's delinquent 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.

9. *Application of Payment.* Payments received from an Owner shall be applied to the Owner's account (except for foreclosures) in the following order:

- (a) Attorney's fees and costs incurred by the Association and for which the Owner is responsible pursuant to the Act or the Governing Documents;
- (b) Interest that has accrued on all unpaid amounts;
- (c) Late charges;
- (d) Past due assessments; and
- (e) Current assessments.

10. *Payment Plans.* The Association shall make a good-faith effort to coordinate with a delinquent Owner to set up a payment plan (a "Payment Plan") for the amount due (provided, however, that the Association need not provide a Payment Plan for any Owner who does not occupy the parcel and who acquired the parcel through default on a security interest encumbering the parcel or foreclosure of the Association's lien or any Owner who has previously entered into a Payment Plan). Any Payment Plan shall permit the Owner to pay off the delinquency in equal installments over a period of at least six (6) months.

**ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

**Policy #2 - Code of Conduct for the Board of Directors; Conflicts of
Interest**

The principles and guidelines constitute the Code of Conduct for any member of the Board:

1. *No Private Gain.* No individual shall use his or her position as a Board member for private gain, for example:

a. No Board member shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association; and

b. No Board member shall accept a gift or favor made with the intent of influencing decision or action on any official matter.

2. *Conduct in Good Faith.* No Board member shall engage in any writing, publishing or speech making that defames any other member of the Board or any Owner. No Board member will willingly misrepresent facts to the Owners for the sole purpose of advancing a personal cause or influencing the Owners to place pressure on the Board to advance a Board member's personal cause.

3. *Contracts.* No Board member will seek to have a contract implemented that has not been duly approved by the Board. No Board member will interfere with a contractor implementing a contract in progress. All communications with contractors will go through the individuals designated by the Board.

4. *Management.* No Board member will interfere with the duties of any staff member of the Association or of its Manager. No Board member will harass, threaten or attempt through any means to control or install fear in

a member of the management staff.

5. *Enforcement.* Any Board member who violates this Code of Conduct agrees that the Association may seek injunctive relief against him/her and agrees to pay the attorney's fees incurred by the Association in that enforcement effort. The Board member also agrees that the Association shall be relieved of posting bond as a condition to its injunctive remedy.

6. *Conflicts of Interest.* If any contract, transaction, decision or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person related to a member of the Board, that member of the Board shall declare a conflict of interest for that issue. A "person related to a member of the Board" means: (a) a spouse, descendant (child, grandchild, etc.), ancestor (parent, grandparent, etc.), sibling, spouse or descendant of a sibling (a "related party"); (b) an estate or trust in which the member or a related party has a beneficial interest; or (c) an entity in which the member or a related party is a director, officer, or has a financial interest. The member shall declare the conflict of an interest in an open meeting of the Association, prior to any discussion or action on the issue. After making such declaration, the member may participate in the discussion but shall not vote on the issue.

No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an Owner or by or in the right of the Association, solely because the conflicting interest transaction involves: 1) a member of the Board of the Association; or 2) a party related to a Board member; or 3) an entity in which a Board member is a director or officer or has a financial interest.

The Association may authorize, approve, or ratify the conflicting interest transaction if:

a. *Board Approval.* The material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Board members, even though the disinterested Board

members are less than a quorum; or

b. Owner Approval. The material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Owners entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Owner entitled to vote thereon; or

c. Fair to Association. The conflicting interest transaction is fair as to the Association.

ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Policy #3 - Conduct of Meetings

1. *Owners' Meetings.* All meetings of the Association are open to every Owner or to any person designated by an Owner in writing as the Owner's representative. The President of the Board, and in his absence, the Vice President, shall be chairman of all meetings. The agenda for all Owners' meetings shall follow the order of business specified in the Bylaws or in any noticed agenda. The agenda for all Owners' meetings shall include an Owner Open Forum during which any Owner or Owner's designated representative who wishes to speak on any matter relevant to the Association will have the opportunity to do so, subject to the remaining provisions of this Policy. The Board shall have the right to determine the length of time of the Open Forum. The chairman may place reasonable limitations upon the time given to each Owner seeking to comment, to allow sufficient time for as many Owners as possible to comment within the time permitted. Unless otherwise determined by the chairman, the time limit will be three minutes per Owner. The chairman shall, to the best of his/her ability, allocate time to each Owner for comment so as to allow as many Owners as possible to speak within the time permitted. Each Owner will only be allowed to speak more than once during Open Forum at the discretion of the Board. No Owner may speak a second time until all Owners wishing to speak have had an

opportunity to speak once.

2. Board Meetings. All regular and special meetings of the Board or any committee thereof, shall be open to attendance by all Owners or to any person designated by an Owner in writing. At regular and special meetings of the Board, except as stated below, Owners who are not members of the Board may not participate in any deliberation or discussion, unless expressly so authorized by a vote of the majority of a quorum of the Board. Notwithstanding the foregoing, the Board shall permit Owners or their designated representatives to speak before the Board takes formal action on an item under discussion, and the Board shall provide for a reasonable number of persons to speak on each side of an issue. The Board may place reasonable time restrictions on those persons speaking during any meeting. The agenda for Board meetings shall include an Owner Open Forum, subject however, to the Board's right to dispense with or limit the Owner Open Forum at the discretion of the Board.

3. Sign-Up Sheets. A sign-up sheet will be made available to Owners immediately prior to any meeting. Any Owner wishing to comment at the ensuing meeting may add his/her name to the signup sheet. Subject to the remaining provisions of this Policy, Owners will be recognized for comment at the meeting in the same order as their names appear on the sign-up sheet. All Owners wishing to comment who have not placed their names on the sign-up sheet will nonetheless be permitted to speak, time permitting.

4. Owner Conduct. No Owner is entitled to speak until recognized by the chairman. There shall be no interruption of anyone who has been recognized by the chairman except by the chairman. Specific time limits set for speakers shall be strictly observed. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. All comments are to be directed to the chairman and not other individual participants. All comments are to be restricted to the agenda item being discussed. Courteous behavior is mandatory. Should the chairman determine that any Owner has spoken for the allocated amount of time or longer, or determine that the Owner is in violation of the provisions of this Policy, the chairman shall have the authority to instruct that Owner to yield the floor, and that Owner will be obligated to comply with the

chairman's instruction. If an Owner refuses to stop talking after his/her allotted time has ended, or otherwise disrupts the meeting, or is otherwise in violation of the provisions of this Policy the, following procedure will be observed:

- a. The chairman will issue an oral warning that if the Owner continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this Policy, either the meeting will be adjourned or law enforcement/security will be called to remove the individual.
- b. If the Owner continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this Policy, the chairman will call a recess and speak directly to the Owner, reiterating that either the meeting will be adjourned or law enforcement/security will be called to remove the individual.
- c. If the Owner still refuses to cooperate, the chairman may choose whether to adjourn the meeting to another time or to call law enforcement/security.

5. *Recording of Meetings.* Note taking is permitted, however, video or audio recording of all or any portion of any meeting by Owners is prohibited. The secretary may use a recording device to aid in accurate note taking but the material so recorded must be erased or destroyed after the minutes are issued.

6. *Executive Session.* Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the Board; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of the Act, as amended from time to time, or other applicable law. The matters to be discussed at such an executive session are limited to:

- a. Matters pertaining to employees of the Association or the Manager's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

- b. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- c. Investigative proceedings concerning possible or actual criminal misconduct;
- d. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- e. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; or
- f. Review of or discussion relating to any written or oral communication from legal counsel.

Prior to the time the members of the Board convene in executive session, the chairman shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above. No rule or regulation of the Board shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board goes back into regular session after an executive session.

7. *Notices.* The Association shall post advance notice of all Owner and Board meetings on its website, if any. In addition to hand delivered or mailed notice of Owner meetings, advance notice of Owner meetings may be e-mailed to those Owners who have provided e-mail addresses to the Association.

ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Policy #4 - Covenant Enforcement; Notice and Hearing; Imposition and Schedule of Fines

1. *Abatement and Enjoinment of Violations of Governing Documents.*

The breach or violation of any provision of the Declaration or of the rules and regulations adopted by the Board shall give the Board the right, after Notice and Hearing, except in case of an emergency, and in addition to any other rights set forth in the Bylaws or the Declaration or as provided by applicable law, to take any one or more of the enforcement actions:

- a. to enter the lot in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that lot) that is contrary to the intent and meaning of the provisions of the Governing Documents (and the Board shall not be deemed liable for any manner of trespass by this action);
- b. to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach;
- c. to suspend the voting rights of an Owner during and for up to sixty (60) days any breach by such Owner or by any person occupying the Owner's lot of any provision of the Declaration or of any of the rules and regulations, unless such breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues and for up to sixty (60) days thereafter; and/or
- d. to levy a fine of up to \$25 per day for each day that a violation of the Declaration or the rules and regulations persists after Notice and Hearing.

2. *Notice and Hearing.* In all instances where the Act, the Declaration, the Bylaws, these Policies and Procedures, or any rules and regulations of the Association require Notice and Hearing, the Board shall comply with the following:

- a. Written demand to cease and desist from the alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation, and (iii) a time period, of not less than five (5) days, during which the violation

may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a fine or other sanction, if the violation is not continuing.

b. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same or a substantially similar rule is subsequently violated, the Board, or its delegate, shall serve the violator with written notice (the "Notice") of a hearing (the "Hearing") to be held by the Board. The Notice shall contain:

- (i) the nature of the alleged violation;
- (ii) the time and place of the Hearing, which time shall not be less than fifteen (15) days from the giving of the Notice;
- (iii) an invitation to attend the Hearing and produce any statement, evidence, and witness on his or her behalf; and
- (iv) the proposed sanction to be imposed.

c. The Hearing shall be held pursuant to this Notice affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of Notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such Notice. The Notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. If the Notice requirements have been met, and the alleged violator does not appear at the meeting, the alleged violator will be deemed to have waived his or her opportunity for a hearing. The minutes of the meeting shall contain a written statement of the results of the Hearing and the sanction, if any, imposed. The decision of the Board shall be final. These procedures shall not be necessary, in order to impose any sanction or penalty for nonpayment of assessments.

3. *Hearing Committee*. In any instance that requires a Hearing, the President may appoint a Hearing Committee ("Hearing Committee") of

three natural persons who need not be members of the Association. In appointing the members of the Hearing Committee, the President should make a good-faith effort to avoid appointing next-door neighbors of the respondent or any Owners who are essential witnesses to the alleged violation giving rise to the complaint. The decision of the President shall be final, except that the respondent may challenge any member of the Hearing Committee for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence at the Hearing. In the event of such a challenge, the Board shall meet to determine the sufficiency of the challenge, without the President voting. If such a challenge is sustained, the President shall appoint another member to replace the challenged member of the Hearing Committee. All decisions of the Board in this regard shall be final. The Hearing Committee shall elect a chairperson and appoint a hearing officer who shall take evidence and ensure that a proper record of all proceedings is maintained.

4. *Schedule of Fines.* Fines may be levied for violations of the Governing Documents as follows:

Number of violations in a 12 month period	Fine Amount
First violation:	Warning
Second violation	\$25.00
Third violation	\$50.00
Fourth Violation	\$100.00

An Owner who accumulates more than four (4) violations within a 12 month period will be deemed to be a habitual offender. Without limiting the Board's ability to fine or suspend membership privileges in accordance with these Policies and Procedures, habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date, shall all be subject to a fine of \$100 per month until the violation is corrected, and suspension of membership privileges as determined by the Board. Further, in the event of a determination by the Board of a willful, wanton or flagrant disregard for the provisions of the Documents, or based on the severity of the violation, the Board may impose such additional fines as are deemed reasonable by the Board without regard to the schedule set forth above.

The record Owner of real estate subject to the Declaration shall have the primary obligation to pay fines imposed for their actions and actions of their tenants, family members, and guests. Fines imposed pursuant to these enforcement Policies and procedures shall become an assessment imposed against the record Owner's real estate and enforceable as provided in the Declaration.

ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Policy #5 - Inspection and Copying of Association Records

1. *General Policy.* The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. Subject to the conditions and limitations of Section 317 of the Act, an Owner is entitled to inspect and copy, during regular business hours at the Association's principal office, any of the records of the Association, if the Owner gives the Association written demand (through the Association's manager, if any) at least ten (10) days before the date on which the Owner wishes to inspect and copy such records. The right to copy records includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic, or other means, except that the Association may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the Owner, but further excepting that no charge may be made for providing or mailing the most recent annual financial statements. The charge may not exceed the estimated cost of production and reproduction of the records. No records may be removed from the office without the express written consent of the Board. Further, if an Owner requests to inspect records, the Association may photocopy and provide the requested records to the Owner in lieu of the Owner's inspection of the records if consented to by the Owner.

2. *Records to be Maintained.* A copy of each of the records shall be kept at its principal office, all as they may be amended from time to

time:

- (a) Detailed records of receipts and expenditures affecting the operation and administration of the Association;
- (b) Records of claims for construction defects and amounts received pursuant to settlement of those claims;
- (c) Minutes of all meetings of its Owners and the Board, a record of all actions taken by the Owners or the Board without a meeting, and a record of all actions taken by any committee of the Board;
- (d) Written communications among, and the votes cast by, the Board members that are directly related to an action taken by the board without a meeting;
- (e) The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Owner is entitled to vote;
- (f) Its current Declaration, Bylaws, Articles of Incorporation, rules and regulations, Responsible Governance Policies and other Policies adopted by the Executive Board;
- (g) Financial statements for the past three years and tax returns of the Association for the past seven years, to the extent available;
- (h) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;
- (i) Its most recent annual report delivered to the secretary of state, if any;
- (j) Financial records concerning statements of unpaid assessments;
- (k) The Association's most recent reserve study, if any;

(l) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;

(m) Records of the Board or committee actions to approve or deny any requests for design or architectural approval from Owners;

(n) Ballot results of votes by owners for one year after the election, action or vote taken;

(o) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members; and

(p) All written communications within the past three years to all Owners generally.

3. *Annual Disclosures.* Within ninety days after the end of each fiscal year, the Association shall make the information available to Owners via first-class mail, hand delivery, or electronic mail upon request:

(a) The date on which its fiscal year commences;

(b) Its operating budget for the current fiscal year;

(c) A list, by type, of the Association's current assessments, including both regular and special assessments;

(d) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;

(e) The results of its most recent available financial audit or review;

(f) A list of all Association insurance Policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity Policies. Such list shall include the company names, Policy limits, Policy deductibles, additional named

insureds, and expiration dates of the Policies listed.

(g) All the Association's bylaws, articles, and rules and regulations;

(h) The minutes of the board and member meetings for the fiscal year immediately preceding the current annual disclosure; and

(i) The Association's Responsible Governance Policies.

4. *Limitations*

(a) *Membership Lists.* A membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner without consent of the Board. Without the consent of the Board, a membership list or any part thereof may not be used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association, and may not be used for any commercial purpose or sold to or purchased by any person.

(b) *Additional Limitations.* Consistent with individual Members' rights to privacy, attorney-client confidentiality and other considerations, these records may be withheld:

i. Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;

ii. Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;

iii. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;

- iv. Disclosure of information in violation of law;
- v. Records of an executive session of an executive board; or
- vi. Records concerning individual units other than those of the requesting owner.

The following records *shall* be withheld: records concerning individual personnel, salary, or medical records; and personal identification and account information of Owners, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

(c) *No commercial purpose.* Association records and the information contained within those records shall not be used for commercial purposes.

**ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

Policy #6 - Reserve Funds

The Board is authorized to deposit reserve funds with national or state banks or with any state chartered or federally chartered savings and loan association doing business in Colorado for fixed periods of time, not exceeding two years, at such rate of interest as may be negotiated but in no event shall any such deposit be in excess of the amount insured by the federal deposit insurance corporation or its successor.

**ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

Policy #7 - Amendment or Adoption of Policies and Procedures

The Board has the authority to adopt, amend or replace any of these Policies and Procedures, at any time and from time to time; provided, however, that none of the Policies and Procedures shall conflict with the terms of the Declaration, the Articles of Incorporation, or the Bylaws of the Association. Amendments to the Policies and Procedures or adoption of new Policies and Procedures shall be made at an open Board meeting and shall be documented in the minutes of such meeting and in an update to this document.

Policies and Procedures may be recommended for adoption or amendment by any Board member or by a petition executed by 20% of the Owners.

Prior to adopting any Policy the Board has the right but not the obligation to solicit information regarding the proposed Policy from Owners. The Board may gather information by distributing draft Policies, forming a committee, conducting an informational meeting or any other method determined by the Board to be appropriate considering all of the relevant circumstances.

ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Policy #8 - Dispute Resolution

1. *Mediation.* The Association, its officers and directors, and all Owners (each such person or entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes involving the Community and all of its improvements without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit all Claims (as defined below) that each may have to mediation pursuant to the procedure, prior to commencing any litigation or administrative proceeding.

- a. Except as specifically excluded in subsection (b) below, all claims, disputes and other controversies arising out of or relating to: (a) the interpretation, application or enforcement of the Declaration; (b) development, design and/or construction of the improvements within the community and/or any alleged defect therein; and (c) the rights, obligations and duties of any Bound Party under the Declaration or any

breach thereof (all of which are hereinafter referred to as a "Claim") shall be subject to and resolved by submitting the Claim first to mediation.

b. The following claims shall not be Claims and shall not be subject to the provisions of this Policy: (a) any suit by the Association against any Bound Party to enforce the collection of Assessments; (b) any suit by the Association or Declarant to obtain a temporary restraining order or injunction and such other ancillary relief as the court may deem necessary in order for the Association or Declarant to act under and enforce the provisions of the Declaration; (c) any suit between or among Owners which does not include the Association as a party; or (d) any suit in which any indispensable party is not a Bound Party.

c. If the parties cannot otherwise resolve a Claim through negotiations, either party may submit the Claim to mediation under the auspice of an independent mediation service acceptable to all parties.

d. Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the parties.

e. If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation or within such other time as determined by the mediator or agreed to by the parties, the Claimant may proceed to commencement of other legal action.

f. Each party shall bear its own costs including attorney's fees and each party shall share equally all charges rendered by the mediators and all filing fees and costs of conducting the mediation proceeding.

**ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

Policy #9 - Reserve Studies

From time to time, the Board shall conduct or procure a reserve study that will assess the need for improvements, repair, replacement or maintenance to

those portions of the Community owned or maintained by the Association (the "Association-owned property"). The Board may, in its discretion, hire consultants or contractors to assist with any such reserve study. The initial reserve study (and all subsequent reserve studies) shall include: (a) an analysis of the physical condition of the Association-owned property, including an estimated remaining useful life of all components and an estimated replacement or repair cost for all such components; and (b) an analysis of the sufficiency of the reserve funds being held by the Association relative to the expected needs for repairs to or replacement of the Association-owned property. Upon receipt of a reserve study, the Board shall develop a funding plan for any work recommended by the study, which plan shall include the projected funding sources for the work. The initial reserve study shall be periodically updated thereafter as determined by the Board.

**ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

Policy #10 - Owner-Board Communications

(a) 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.

(b) 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

(c) 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

ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Policy #11 - BoD Mechanism to circulate E-Mails

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 reply 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.

ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION, INC.

Policy #12 - Voting Actions Performed Outside a BoD Meeting

A Board member aware of the matter will send an e-mail to the entire Board explaining the situation and listing any issues that should be considered before a decision is made.

Individual Board members will communicate their thoughts on the matter by e-mail. When individual Board members feel they have enough information, they

will cast their votes. All e-mails sent during this process will be directed to the entire Board.

The Secretary will retain all e-mails. The matter and the vote will be reported at the next BOD meeting. The e-mails will be attached to the minutes recording the decision or resolution so that property owners have a record of deliberations leading to the vote. (09/14)

**ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

Policy #13 - Businesses 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.

**ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

Policy #14 - 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.

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 maybe 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

**ALPINE LAKES RANCH PROPERTY OWNER'S ASSOCIATION,
INC.**

Policy #15 - Annual Meeting Date Selection

At a previous ALRPOA Annual Meeting, the membership voted to hold the ALRPOA Annual Meeting on the Saturday of the July 4th weekend. Typically, the ALR Water Company (WATCO) and the ALR Ditch and Reservoir (ALRD&RC) 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 ALRD&RC, the following procedure shall be followed:

At the regular March ALRPOA BoD Meeting, the Board will agree on the date & location of the ALRPOA Annual Meeting. Typically this date will be the first Saturday of July when July 4th falls on Saturday, Sunday, Monday, or Tuesday; otherwise, it will be the second Saturday of July when July 4th falls on Wednesday, Thursday, or Friday. The date & location shall be approved at this March meeting and notice sent to WATCO and ALRD&RC as soon as possible after this meeting. At the regular April ALRPOA BoD Meeting, the date & location of the ALRPOA Annual Meeting shall be finalized and communicated to the ALRPOA membership as soon as possible after this meeting. (BoD 3/18/2016)