

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

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 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.

The Declaration of Protective Covenants for Alpine Lakes Ranch, Inc., as amended (the "Declaration"), the Articles of Incorporation, the Bylaws of the Association, the Rules & Regulations, the Rules & Regulations & Fines for Short Term Rentals, and the Amendment and Restatement of Policies and Procedures are collectively known as the "**ALRPOA Governing Documents**".

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, Bylaws of the Association, Rules & Regulations, Rules & Regulations & Fines for Short Term Rentals (collectively, the "**ALRPOA Governing Documents**").

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Policy #1 - Collection of Unpaid Assessments

1. *Due Date.* All annual assessments are due on the 31st 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, un compounded.

5. *Late Charge.* The Association may impose a late charge of \$150 per LOT 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 \$50.00 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 emailed or USPS mailed to all property owners on or before January 1st. The Assessment will be due on January 31st and past due on February 1st.

(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 and that a \$150.00 per LOT late fee has been added to the amount owed; and that interest begins accruing at that time.

(ii) On February 15th, the Alpine Lakes Ranch POA Treasurer will send a second email with 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, indicating 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 \$300.00 will be charged to the property owner in addition to all other fees imposed.

(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; and

(iii) 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 ALRPOA 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.

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 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; (c) a friend or confidant; or (d) 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 to the Board, 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; and

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

Policy #3 - Conduct of Meetings

Owners' Meetings. All meetings of the Association are open to every Owner, or to any person designated by an Owner if such Owner is an entity, such designation to be in writing, signed, and include the Owner's representative's name, complete address and contact number(s). Such written designation shall be submitted to the Board at a minimum of 5 days before the meeting. The President of the Board, and in his or her 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 chair 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 chair, the time limit will be three minutes per Owner. The

chair 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.

Board Meetings. All regular and special meetings of the Board 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 sign-up 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 chair. 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 chair 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 still refuses to cooperate, the chair 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 may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the Board. 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, contractor 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 chair shall announce to the Board members 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.* Advance notice of Owner meetings are to be e-mailed to those Owners who have provided e-mail addresses to the Association; or mailed via USPS. An Executive Session is not considered an Owner meeting.

Policy #4 – ALRPOA Governing Documents Enforcement; Notice and Hearing; Imposition and Schedule of Fines

1. *Abatement and Enjoinment of Violations of ALRPOA Governing Documents.* The breach or violation of any provision of the ALRPOA Governing Documents 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 ALRPOA 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 \$200 per week for each week that a violation 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 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) (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 at least three Board members. 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 who are essential witnesses to the alleged violation giving rise to the complaint. The decision of the President shall be final. 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 or breach of the ALRPOA Governing Documents:

Violation of any of the ALRPOA Governing Documents may carry a fine of up to \$200 for each incident.

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 be subject to 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.

Policy #5 - Inspection and Copying of Association Records

All records of the Association are privileged and confidential, and shall not be disseminated to any Owner or to any person outside of the Ranch membership without the express written consent of the Board of Directors.

1. *General Policy.* The Association shall maintain its records in written form within a

reasonable time. An Owner is entitled to inspect during regular business hours, any of the records of the Association, with the exception of those listed under "4. Limitations" below. The Owner must give 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 such records. Such written demand must include a detailed list of the records Owner wishes to inspect, which shall not include any records listed under "4. Limitations" below. No records may be removed from the place where kept without the express written consent of the Board. Further, if an Owner requests to inspect records, the Board may, in lieu of Owner inspecting records at the place where kept, photocopy and charge the Owner the costs, including but not limited to paper, postage, hand delivery costs, labor, time and material, to provide the requested records to the Owner as provided herein. Such costs to the Owner shall be calculated and agreed upon by the Board.

2. *Records to be Maintained.* A copy of the records shall be kept at the then current applicable Board member's home, 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) Minutes of meetings of its Owners and the Board;
- (c) 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, indicating the number of votes (1 vote per lot owned) each Owner is entitled to vote;
- (d) Its current ALRPOA Governing Documents;
- (e) Financial statements for the past three years and tax returns of the Association for the past three years, to the extent available;
- (f) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;
- (g) Financial records concerning statements of unpaid assessments;
- (h) The Association's most recent reserve study, if any;
- (i) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
- (j) Records of the Board or committee actions to approve or deny any requests for design or architectural approval from Owners.

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, including amounts held in reserve;
- (c) A list, by type, of the Association's current assessments, including both regular and special assessments.

4. *Limitations*

Membership Lists. Consistent with individual Members' rights to privacy, any membership list of any kind whatsoever or any part thereof may not be obtained or used by any Owner or person outside of the Board for any purpose. A membership list of any kind whatsoever or any part thereof may not be used to solicit money, property or votes, and may not be used for any personal or commercial purpose or sold to or purchased by any person. The Board shall not give, send, copy or in any other manner share the POA Owners listing(s) of any kind whatsoever, in whole or in part, and any other Owner information to anyone without the majority vote of the Board of Directors.

(a) *Additional Limitations.* Also consistent with individual Members' rights to privacy, attorney-client confidentiality, privileged and confidential information, and other considerations, these records shall be withheld:

- i. Architectural or Engineering drawings, plans, and designs, unless agreed to by the Board of Directors;
- ii. Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in place or are 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 individuals other than those of the requesting owner.

(c) The following records **shall** be withheld: information and records concerning individual personnel, salary, or medical records; and any personal identification and account information of Owners, including but not limited to bank account information, telephone numbers, electronic mail addresses, residence and Ranch address(es), driver's license numbers, and social security numbers.

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

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, 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.

Policy #7 - Amendment or Adoption of Policies and Procedures

The Board has the authority to adopt, amend and replace any of these Policies and Procedures, at any time and from time to time.

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.

Policy #9 - Reserve Studies

From time to time, the Board may 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 may be periodically updated thereafter as determined by the Board.

Policy #10 - Owner-Board Communications

(a) Your Board of Directors 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 Board 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 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.

(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 Board, any letters that name "Names" in a manner that could be interpreted as inflammatory or otherwise derogatory may be placed in file instead of a response by the Board.

Policy #11 - Mechanism to circulate internal Board of Directors E-Mails

The Director originator 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 Director originator. Once the Director originator has received input from all of the other Directors, the Director 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 Director 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, and an Executive Session of the Board of Directors shall be scheduled to discuss the subject matter.

Policy #12 - Voting Actions Performed Outside a Board of Directors 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.

Policy #13 - Businesses on ALR

If a business has no impact on the Ranch or the Ranch Roads 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 for the Board of Directors to approve or disapprove it.

Policy #14 - Working Sessions

It has been determined that Board of Directors Meetings are not the place to work on issues, rather just the place to finalize and document the decisions. At those subsequent Working Sessions, attended solely by the Board of Directors and any person knowledgeable in the subject matter specially invited by the Board, 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, if applicable, shall be presented at the next Board of Directors Meeting for official action, if necessary.

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. In order to coordinate the ALRPOA Annual Meeting with the Annual Meetings of WATCO and ALRD&RC, the following procedure shall be followed:

At a regular March, April or May ALRPOA Board of Directors Meeting, the Board will agree on the date and location of the ALRPOA Annual Meeting. Typically, but not necessarily, this date will be the first Saturday of July; otherwise, it will be the second Saturday of July as agreed to by the Board of Directors. The date and location shall be approved at this meeting and notice sent to WATCO, ALRD&RC, and to all property owners as soon as possible after this meeting.

Policy #16 – Privacy Policy

Alpine Lakes Ranch Property Owners Association by its Board of Directors is committed to keeping any and all personal information collected of the property owners accurate, confidential, secure and private. This policy is our commitment and realization of our

obligation to meet existing privacy standards.

To assure compliance with the POA's privacy commitment, no individual property owner shall send out a "mass email" or any other type of communication, indicating the names and email addresses, and/or any other personal information, to any property owner or property owners, such email regarding any issue pertaining to the ALRPOA, without the express written consent of the Board. Violation of this Policy shall be a violation of the Governing Documents and the Privacy Policy. Each such violation shall carry a fine of up to \$1,000 as determined by the Board of Directors.

Adopted: