

PLATTE RIVER RANCH ESTATES WATER AND ROAD ASSOCIATION'S RULES, REGULATIONS AND POLICIES

The Platte River Ranch Estates Water and Road Association (“Association”) has adopted these Rules, Regulations and Policies (“Rules”), as of the 16th day of April, 2011, pursuant to its Articles of Incorporation, recorded with the Colorado Secretary of State on the 10th day of June, 1994 (“Articles”), the Declaration of Covenants, Restrictions, and Easements, Charges and Liens for Platte River Ranch Estates, recorded with the Park County Colorado Clerk and Recorder on the 19th day of August, 1994 at Reception No. 429566 (“Declaration”), and the Association’s By-Laws, executed on the 23rd day of August, 1994 (“Bylaws”), as these documents may have been or will be amended from time to time (collectively, “Association Documents”). All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Association Documents.

1. Purpose and Scope. The primary functions of the Association are to manage the Common Areas and enforce the Association Documents, including adopting these and other Rules in connection with such management and enforcement responsibility. The Board of Directors of the Association (“Board”) has adopted these Rules in order to protect the value and desirability of the Properties subject to the Declaration, in addition to bringing the Association Documents into compliance with recent changes in the law applicable to the Association and the Properties.

2. Common Areas. All Common Areas used by the Owners and guests, invitees or tenants (“Occupants”) shall not be obstructed or used for any purpose other than access to and from the Lots or other purposes for which they are intended.

3. Noises and Nuisances. No Owner or Occupant shall make or permit any noise on the Properties that will disturb or annoy another Owner or Occupant. No odor may be emitted from any part of the Properties which is noxious or offensive to others. No activity may be conducted on any part of the Properties which is or might be unsafe or hazardous to any person or the Properties as a whole.

4. Use of Lots. Per Paragraph 1 of the Declaration, one (1) single family residence is allowed on each Lot. Duplexes and multi-family residences are not permitted. The Association shall enforce this restriction to the extent permitted by law. Only businesses that are permitted or have obtained the proper permit/licensing for a home occupation business from the appropriate governmental entity may be operated on a Lot. Any such business must strictly comply with all applicable laws and governmental regulations, including use restrictions. Any such appropriately permitted/licensed home occupation shall be further strictly contained and operated from within the dwelling and/or legal accessory building and not upon any portion of the Lot outside of the dwelling, and/or legal accessory building. There shall be no exterior evidence that the dwelling and/or legal accessory building are being used for any other purpose other than that of a dwelling or legal accessory structure to such dwelling.

5. **Signs and Flags.** No sign, notice, or other advertisement shall be placed anywhere on a Lot, except as provided in this Section 5. In addition, the Association may provide uniform guidelines for real estate signs advertising Lots for sale.

- A. An Owner or Occupant is allowed to display one (1) political sign per political office or ballot issue on property within the boundaries of a Lot, with the maximum dimensions of such sign limited to the lesser of: (a) 36” by 48” inches; or (b) the maximum size allowable by any applicable local ordinance that regulates the size of political signs on residential property. Any political sign shall not be displayed earlier than forty-five (45) days before an election, or later than seven (7) days after an election day.
- B. An Owner or Occupant may display an American flag on a Lot only if it is displayed in a manner consistent with the applicable sections of the federal flag code and does not exceed 3’x5’ for up to a 25’ pole, 4’x6’ for a 20’ pole, and 5’x8’ for a pole exceeding 20’.
- C. An Owner or Occupant may display a service flag bearing a star denoting the service of the Owner or Occupant, or a member of the Owner's or Occupant's immediate family in the active or reserve military service of the United States during a time of war or armed conflict, on the inside of a window or door of a dwelling located on the Lot. The maximum size of a service flag shall be 9" by 16".

6. **Emergency Vehicle Parking.** The Association shall not prohibit the parking of an emergency motor vehicle on an Owner or Occupant's Property if the Owner or Occupant is required by his or her employer to have the vehicle at his or her residence during designated times, and:

- A. The vehicle weighs less than 10,000 pounds;
- B. The Owner or Occupant is a bona fide member of a volunteer fire department, or is employed by an emergency service provider; and
- C. The vehicle bears an official emblem or other visible designation of the emergency service provider.

7. **Fire Mitigation.** The Association shall not prohibit the removal by an Owner of trees, shrubs, or other vegetation to create defensible space around a dwelling on a Lot for fire mitigation purposes, so long as such removal complies with a written defensible space plan created for the Lot by the Colorado state forest service, an individual or company certified by a local governmental entity to create such a plan, or the fire chief, fire marshal, or fire protection district within whose jurisdiction the Lot is located, and is no more extensive than necessary to comply with such plan. The plan shall be registered with the Association before the commencement of work. The Association may require changes to the plan if the Association

obtains the consent of the person, official, or agency that originally created the plan. The work shall comply with applicable Association standards.

8. Entry of Lots. In the case of emergency originating upon or threatening any Lot, or any improvements located on such Lot, regardless of whether the Owner is present at the time of such emergency, the Association or anyone authorized by it, as well as fire, police, and other emergency personnel, shall have the right to enter such Lot for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

9. Board Member Conflict of Interest.

- A. Disclosure of Conflict.** If any contract, decision, or any other action (hereinafter collectively referred to as “Action”), taken by or on behalf of the Association would financially benefit any Board member (or any person who is a parent, grandparent, spouse, child, or sibling of a Board member), then that interested member shall declare that a conflict of interest exists. The interested Board member shall declare the conflict of interest as soon as is reasonably practicable upon the introduction of a motion or discussion regarding the Action, and shall describe in detail all of the particular facts of the conflict of interest. The declaration of a conflict of interest may be set forth in writing by the interested member, in which case the written description of the conflict shall be read aloud into the record by a disinterested member, or may be presented verbally.
- B. Vote of Interested Member.** After the interested member of the Board makes such a declaration, the interested member may participate in a discussion of the matter giving rise to the conflict of interest. After having made the disclosure required in Paragraph A above, the interested member of the Board may not vote on the Action.
- C. Conflicting Interest Not Void.** No conflicting interest transaction, as that term is defined by C.R.S., § 7-128-501, as amended, shall be void or voidable if any of the following conditions have been met:
1. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested members of the Board, even if less than a quorum, in good faith approves the conflicting interest transaction;
 2. The facts about the conflicting interest transaction are disclosed to the Members entitled to vote on the matter, and the conflicting interest transaction is approved in good faith by a vote of the Members entitled to vote on the matter; or
 3. The conflicting interest transaction is fair to the Association.

- D. Minutes.** The minutes of the meeting of the Board shall reflect that the conflict of interest was disclosed. When there is doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board, excluding the person concerning whose situation the doubt has arisen.
- E. Loans.** No loans shall be made by the Association to its Board members or officers. Any Board member or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

10. Records.

- A.** The Association shall keep the following as permanent records:
 - 1. Minutes of all meetings of its Members and Board;
 - 2. A record of all actions taken by the Members or Board without a meeting;
 - 3. A record of all actions taken by a committee of the Board in place of the board of directors on behalf of the Association; and
 - 4. A record of all waivers of notices of meetings of Members and of the Board or any committee of the Board.
- B.** In addition, the Association shall keep copies of the following records at its principal offices:
 - 1. Appropriate accounting records;
 - 2. A record of its Members in a form that permits preparation of a list of the name and address of all Members in alphabetical order showing the number of votes each Member is entitled to vote;
 - 3. Its Articles of Incorporation;
 - 4. Its Bylaws;
 - 5. Its Restrictive Covenants;
 - 6. Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members;
 - 7. The minutes of all Members' meetings, and records of all action taken by Members without a meeting, for the past three (3) years;

8. All written communications within the past three (3) years to Members generally as Members;
9. A list of the names and business or home addresses of its current Board Members and officers;
10. A copy of its most recent annual report; and
11. All financial statements prepared for periods ending during the last three (3) years that a Member could have requested under Section 11.

11. Inspection.

- A. A Member, or the Member's agent or attorney, is entitled to inspect and copy, during regular business hours at the Association's principal office, any of the records of described in Section 10(b)(3)-(10), if the Member gives the Association written demand at least five (5) business days before the date on which the Member wishes to inspect and copy such records.
- B. A Member, or the Member's agent or attorney, is entitled to inspect and copy, during regular business hours at the a reasonable location stated by the Association, any of the other records of the Association if the Member gives the Association written demand at least five (5) business days before the date on which the Member wishes to inspect and copy such records, and only if:
 1. The Member has been a Member for at least three (3) months immediately preceding the demand to inspect or copy or is a Member holding at least five (5) percent of the voting power as of the date the demand is made;
 2. The demand is made in good faith and for a purpose reasonably related to the demanding Member's interest as a Member;
 3. The Member describes with reasonable particularity the purpose and the records the Member desires to inspect; and
 4. The records are directly connected with the described purpose.
- C. The right to copy records under this Section 11 includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic, or other means. The Association may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to a

Member. The charge may not exceed the estimated cost of production and reproduction of the records.

- D. No records may be removed from the Association's possession without the express written consent of the Board.

12. **List of Owners.** A Member may not request a membership list for any purpose unrelated to the Member's interest as a Member. Unrelated purposes for the use of a membership list include, but are not limited to:

- A. The solicitation of money or property;
- B. Any commercial purpose; and
- C. To be sold to or purchased by any person.

13. **Rejection of Vote or Proxy.** The Board is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy revocation if the secretary or other officer or agent authorized to tabulate the votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on it, or about the signatory's authority to sign for the Member. The Association, and its officer or agent, and the Board, who accept or reject a vote, consent, written ballot, waiver, proxy appointment, or proxy revocation in good faith are not liable in damages for the consequences of the acceptance or rejection.

14. **Insurance Claims by Owners.** Subject to the provisions of C.R.S., § 10-4-110.8(5), as they may be amended, an Owner shall have the right to file a claim against the policy of the Association. The Association's insurer, when determining premiums to be charged to the Association, shall not take into account any request by an Owner for clarification of coverage. In making such a claim against any insurance policy of the Association, the Owner must follow this procedure:

- A. The Owner must first contact the Board in writing regarding the subject matter of the claim;
- B. The Owner must give the Association at least fifteen (15) days to respond in writing, and give the Association a reasonable opportunity to inspect the damage; and
- C. The Owner will only be allowed to make a claim if the subject matter of such claim falls within the responsibility of an insurance policy of the Association.

15. **Collections.** The following are the Association's policies and procedures for the collection of assessments:

- A. Due Dates.** The annual assessment shall be due and payable on the 1st day of July each year. Special assessments, if any, are due as specified by the Board. Payments shall be deemed received and shall be posted on the date the payment is received by the Secretary/Treasurer of the Association, as designated by the Board. Any assessment not paid in full when due shall be considered past due and delinquent. Such assessment is a personal obligation of the Owner and constitutes an automatic lien on the Lot.
- B. Late Charge.** A late charge in the amount of fifteen dollars (\$15.00) shall be imposed for any assessment, fine or other charge not paid within thirty (30) days of the due date without further notice to the Owner. Such late charge is a personal obligation of the Owner and constitutes an automatic lien on the Lot.
- C. Interest.** Interest at the rate of twelve percent (12%) per annum shall accrue on any delinquent assessment, fine or other charge from the date of delinquency without further notice to the Owner. Interest will be added to the Owner's account 30 days following the due date. Such interest is a personal obligation of the Owner and constitutes an automatic lien on the Lot.
- D. Suspension of Rights.** A Member's voting rights shall be automatically suspended without notice if an assessment or other charge is not paid within thirty (30) days of the due date.
- E. Return Check Charges.** If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:
1. An amount equal to the face amount of the check, draft, or money order and a return check charge of thirty dollars (\$30.00); or
 2. If notice has been sent as provided in C.R.S., § 13-21-109 and the total amount due as set forth in the notice is not paid within fifteen (15) days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for collection for three times the face amount of the check, but not less than fifty dollars (\$50.00).

Any returned check shall cause an account to be past due if full payment of an assessment or of any other charge is delinquent. If two (2) or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order.

F. Attorney Fees. The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner pursuant to the terms of the Association's Documents and Colorado law. Attorney fees incurred by the Association shall be considered part of the assessments and shall be due and payable immediately when incurred, upon demand, without the need to initiate legal proceedings.

G. Application of Payments. All payments received on account of any Owner or the Owner's Lot, may be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to a judgment; then to interest; then to late charges; then to return check charges; then to fines and other amounts levied pursuant to the Declaration; then to delinquent assessments; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.

H. Delegation of Authority to Sign Notice of Lien. The Board may delegate authority to the Association's attorney to sign and acknowledge the Notice of Assessment Lien and its release. This delegation may be withdrawn at any time. In the event the delegation is withdrawn, the Board will send written notice to the Association's attorney of the withdrawal.

I. Time Frames. The following time frames shall be followed in the collection of the annual assessment or a special assessment, and for collection of other charges.

Due date	The 1 st day of July each year for the annual assessment or after notice of assessment or charge for all other assessments, fines and charges.
Late Fee date	30 days after due date
Interest date	30 days after due date
First Notice from Association; lien filed	30 days after due date
Second Notice from Association	60 days after due date
Third Notice from Association	90 days after due date
Delinquent account turned over to Association's attorney; demand letter sent to Owner.	105 days after due date

Once accounts are turned over to the Association's attorney, the Association's attorney shall consult with the Association regarding collection procedures and payment arrangements.

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

K. Referral of Delinquent Accounts to Attorneys. Upon referral of a delinquent account to the Association's attorney, the attorney shall take appropriate action to collect the accounts referred. After an account has been referred to the Association's attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The Association's attorney is authorized to take whatever action is necessary, in consultation with the President of the Board or other person designated by the Board, believed to be in the best interest of the Association, including, but not limited to:

1. Filing a lien against the delinquent Owner's property to provide record notice of the Association's claim against the Lot, if not already filed;
2. Filing suit against the delinquent Owner for a money judgment. The purpose of obtaining a personal judgment against the Owner is to allow the Association to pursue remedies such as garnishment of the Owner's wages or bank account to collect judgment amounts;
3. Instituting a judicial action of foreclosure on the Association's lien. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or in other circumstances that may favor such action;
4. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim; and
5. Filing a court action seeking appointment of a receiver. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property, and collects the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent waste and deterioration of the property.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. Upon referral of any matter to the Association's attorney, the Association shall pay the Association's attorneys their usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

L. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit within the Association, the Association may advise the Association's attorney of the same and turn the account over to the Association's attorney.

M. Waivers. The Board may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained in this Section 15, as the Board shall determine appropriate under the particular circumstances. Any such accommodation shall be documented in the Association's files with the conditions of relief. Failure of the Board to require strict compliance with this Section 15 shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Section 15.

16. Amendment of Rules. The foregoing Rules are subject to amendment by the Board and to the promulgation of further Rules.

CERTIFICATE

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Platte River Ranch Estates Water and Road Association; and

That the foregoing Rules, Regulations and Policies were adopted by the Board of Directors of the Platte River Ranch Estates Water and Road Association as of the 16th day of April, 2011.

04-16-2011

Date

(signature recorded on original signed copy)

Secretary