

**RESOLUTION OF THE BOARD OF DIRECTORS OF
INDIAN CAMP RANCH HOMEOWNERS
ASSOCIATION**

Upon motion duly made and seconded, the following resolution was adopted by a majority of the Board of Directors (the "Board") of INDIAN CAMP RANCH HOMEOWNERS ASSOCIATION (the "Association") at a meeting of the Board of Directors duly noticed and held on 31 December 2005, at which meeting a quorum of the Board was present in person:

WHEREAS, the State of Colorado recently enacted Senate Bill SB 05-100 ("SB 100") into law placing significant new requirements on the Board of Directors of Homeowners Associations ("HOA") in connection with HOA governance and operations;

WHEREAS, all Colorado HOAs that are not exempt from SB 100 are generally subject to SB100;

WHEREAS, in that connection, the Association is required to adopt with the seven written policies that non-exempt HOAs are required to adopt under SB 100 regarding, among other things, (i) collection of unpaid assessments, (ii) conduct of meetings, (iii) covenant and rule enforcement, and (iv) investment of reserve funds.


NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts each of the seven written policies attached hereto as Exhibits A through G (the "Written Policies") and such Written Policies shall hereafter form a part of the governing documents of the Association; and be it further

RESOLVED, that, notwithstanding anything contained herein or in the Written policies to the contrary, the Written Policies shall not be construed to invalidate any provision of the Association's Declaration of Covenants, Bylaws, Articles of Incorporation or other governing documents (collectively, the "Governing Documents") to the extent such provisions do no conflict with SB 100 or any other law that the Association is subject to; and be it further

RESOLVED, that, notwithstanding anything contained in the Governing Documents to the contrary, the Association intends to be generally bound by the provisions of SB 100 and such provisions shall override any nonconforming provisions in the Association's governing Documents.

IN WITNESS WHEREOF, the members of the Board of Directors of the Association have subscribed their names to this resolution as of 31 December 2005.


Karen Kristin, Director and President


Melinda Burdette, Director and Secretary


Richard Blake, Director


Robert Greenlee, Director and Vice President


Porter Stone, Director and Treasurer

EXHIBITS A through G

[See Attached]

**PROCEDURES FOR THE ADOPTION AND AMENDMENT OF
POLICIES, PROCEDURES AND RULES**

1. The Board shall have the authority to create, adopt, enforce, and amend policies, procedures, rules and regulations (the 'Rules and Regulations') that it deems appropriate for Indian Camp Ranch.
2. Prior to adopting any new Rules and Regulations, the Board may, at its sole option, discuss the proposed new Rules and Regulations at any meeting of the Members that may or may not be called for that purpose.
3. The Board may adopt Rules and Regulations at a meeting of the Board, by unanimous written consent in lieu of a meeting or by any other method authorized by the Association's governing documents or pursuant to Colorado law.
4. The Board shall inform all Members of the adoption of any new Rules and Regulations either by posting the new Rules and Regulations on the Property or on the Association's website, if any, or by delivering the new Rules and Regulations to the Members by e-mail, U. S. Mail, newsletter or personal delivery. A compilation of all current Rules and Regulations shall be available for inspection and copying in accordance with the Association's policy regarding inspection and copying of Association records by Owners.
5. Unless otherwise provided, any new Rules and Regulations shall be in full force and effect and subject to enforcement by the Association immediately following publication thereof in accordance with Paragraph 4 above.

CONDUCT OF MEETINGS

1. **Notice.** In addition to the notice required by the Bylaws, notice of any meeting of the Members shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable. If electronic means are available to the Association, notice of all regular and special meetings of the Members shall be provided to all Owners who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting of the Members, shall be given as soon as possible, but at least twenty-four (24) hours before the meeting.
2. **Open Meetings.** All meetings of the Association and the Board of Directors are open to every Member, or to any person designated by a Member in writing as the Member's representative, and all Members or their designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that for regular and special meetings of the Board, Members who are not Board members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board.
3. **Restrictions on Participation at Meetings.** The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Member or a Member's designated representative to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue. Should the President or acting chair determine that any Member has spoken for the allocated amount of time or longer, the President or acting chair shall have the authority to instruct that member to yield the floor, and that member will be obligated to comply with the President's or acting chair's instruction.
4. **Attorney-Client Privilege.** Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.
5. **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 managing agent'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; Investigative proceedings concerning possible or actual criminal misconduct;

- 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;
- 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 President or acting chair shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above.

6. **Secret Ballot** Votes for positions on the Board shall be taken by secret ballot and, upon the request of one or more of the Members, a vote on any other matter affecting the Property on which all Members are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a Member who is not a candidate, who attends the meeting at which the vote is held, and who is selected at random from a pool of two or more such Members. The results of the vote shall be reported without reference to names, addresses or other identifying information.

ENFORCEMENT OF COVENANTS AND RULES.
INCLUDING NOTICE AND HEARING PROCEDURES
AND SCHEDULE OF FINES

1. The Board shall have the power to enforce the Declaration in accordance with the Bylaws.
2. In addition to any other remedies available to it, the Board may levy fines in accordance with the following schedule for any act or omission deemed a violation by the Board:

<u>Number of violations in a 12 month period</u>	<u>Fine Amount</u>
First violation:	Warning
Second violation:	\$25
Third violation:	\$50
Fourth violation:	\$100

In addition, habitual offenders (more than 4 violations in a 12-month period), 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, in addition to any other remedy determined by the Board, which may include suspension of membership privileges or the imposition of additional fines.

3. The Owner shall have the primary obligation to pay fines imposed for their actions or the actions of their tenants, family members, invitees and guests. Fines imposed pursuant to these enforcement policies and procedures shall become an Assessment imposed against the Lot and enforceable as provided in the Declaration.
4. Notwithstanding anything contained in the Declaration, Articles of Incorporation or ByLaws to the contrary, Owners shall have the following notice and hearing rights:

(a) Notice. Prior to imposition of any fine, the Board of Directors or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed fine to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Board of Directors for a hearing; and (iv) a statement that the proposed fine shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the fine stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any fine, proof of proper notice 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. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed. The Board of Directors may, but shall not be obligated to, suspend any proposed fine if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to fine future violations of the same or other provisions and rules by any person or entity.

RESERVE FUND INVESTMENT POLICY

1. The Board of Directors shall be responsible for managing and investing the Reserve Fund. In that connection, the Board may engage outside professionals;
2. The Reserve Fund shall be invested in accordance with all applicable laws, including Colorado State Statutes, and with any Board Resolutions adopted by the Board of Directors;
3. The Reserve Fund shall be invested in a manner that will preserve capital and minimize credit and interest rate risk;
4. The investments in the Reserve Fund shall be sufficiently liquid to meet all planned Reserve Fund expenditures for the following fiscal year. The Reserve Fund portfolio shall consist largely of Money Market Accounts and/or Certificates of Deposit;
5. The portfolio of investments in the Reserve Fund shall earn a competitive market rate of return on available funds while taking into account the Association's investment risk, constraints, and cash flow needs; and
6. Association members shall have access to a list of the portfolio of investments in the Reserve Fund and the current market valuation of each investment.

INSPECTION AND COPYING OF ASSOCIATION RECORDS BY MEMBERS

1. The Association shall keep financial records sufficiently detailed to enable the Association to provide a written statement of any unpaid assessments in accordance with Section 316(8) of the Act.
2. The Association shall keep as permanent records (a) Minutes of all meetings of Members and the Board, (b) a record of all actions taken by the Members or the Board by written ballot or written consent in lieu of a meeting, (c) a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and (d) a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board.
3. The Association or its agent shall maintain a record of Members in a form that permits preparation of a list of the names and addresses of all Members, showing the number of votes each Member is entitled to vote.
4. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
5. All financial and other records (other than records deemed confidential by the Board) shall be made reasonably available for examination and copying by any Member and such Member's authorized agents. The Association may charge a fee, not to exceed the Association's actual cost per page, for copies of Association records. As used in this Paragraph 5, "reasonably available" means available during normal business hours, upon notice of five (5) business days, to the extent that (a) the request is made in good faith and for a proper purpose, (b) the request describes with reasonable particularity the records sought and the purpose of the request, and (c) the records are relevant to the purpose of the request.
6. At the discretion of the Association or the Association's manager, certain records may only be inspected in the presence of a Board member or employee of the Association's manager. No records may be removed from the office without the express written consent of the Board.
7. In addition to the records specified in Paragraphs 1 and 2 above, the Association shall keep a copy of each of the following records at its principal office:
 - a. the Articles of Incorporation;
 - b. the Declaration;
 - c. the Bylaws;
 - d. Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations and obligations of Members or any class or category of Members;
 - e. the minutes of all meetings of the Members and records of all actions taken by Members without a meeting for the past three (3) years;

- f. all written communications within the past three (3) years to Members generally as Members;
- g. a list of the names and business or home addresses of the Association's current directors and officers;
- h. the Association's most recent annual report, if any; and
- i. all financial audits or reviews conducted pursuant to Section 303(4)(b) of the Act during the immediately preceding three (3) years.

HANDLING OF CONFLICTS OF INTEREST INVOLVING BOARD MEMBERS

1. If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a Board member, or a parent or spouse of any of those persons, that member of the Board shall declare a conflict of interest for that issue. The Board member shall declare the conflict at an open meeting prior to any discussion or action on that issue. After making such declaration, the Board member may participate in the discussion but shall not vote on that issue.
2. The interested Board member may be counted as present when determining whether a quorum of the Board exists.
3. Any contract entered into in violation of this policy is void and unenforceable.

COLLECTION OF UNPAID ASSESSMENTS

1. **Due Dates.**
 - a. **Base Assessments.** Base Assessments shall be due and payable in equal quarterly installments due on the first day of the quarter.
 - b. **Special Assessments.** Special Assessments, if any, shall be due and payable in such manner and at such times as determined by the Board following adoption thereof, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.
 - c. **Specific Assessments.** Specific Assessments shall be due and payable five (5) days following receipt of notice thereof by an Owner, unless the Board specifies otherwise.
2. **Late Charges and Interest Charges.** Assessments or other charges not paid to the Association by the tenth (10th) day following the due date thereof shall be considered past due and delinquent. The Association shall be entitled to impose a late charge of twenty dollars (\$20.00) on each past due and delinquent Assessment. If any Assessment is not paid within thirty (30) days after its due date, the amount due shall bear interest at a rate of eighteen percent (18%) per annum from the due date until paid. All late charges and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of assessments.
3. **Return Check Charges.** A twenty dollar (\$20.00) fee shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two (2) or more of an owner's checks are returned unpaid by the bank within any twelve (12) month period, 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.
4. **Referral of Delinquent Accounts.** The Association may, at any time, at its option, refer delinquent accounts to its attorneys and/or assign such accounts to collection agencies. After consultation with the Board of Directors or the Association's managing agent, the Association's attorneys shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Owner's Lot. The Association shall be entitled to recover its attorneys' fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner.
5. **Application of Payments made to the Association.** The Association reserves the right to apply all payments received on account of any owner first to payment of any and all legal fees and costs (including attorneys' fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such owner, and any remaining amounts shall be applied to the assessments due with respect to such Owner.

6. **Waivers.** The Association has the option and right to continue to evaluate each delinquency on a case by case basis. The Association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances. The granting of a waiver for any particular delinquency shall not require the Association to grant a waiver for any future delinquency for the same or another Owner.

7. **Delinquencies Constitute Covenant Violations.** Any delinquency in the payment of Assessments shall constitute a violation of the Declaration, and following notice and an opportunity to be heard, the Association shall be entitled to impose sanctions on the delinquent owner consistent with the Association's policy regarding "Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines".