

BYLAWS
OF
DOS RIOS III PROPERTY OWNERS ASSOCIATION
a Colorado nonprofit corporation

ARTICLE I
Functions

Section 1.1 Purposes and Objects. The purpose for which this nonprofit corporation is formed is to govern Dos Rios Unit 3 in accordance with the terms and conditions of the Declaration of Protective Covenants for Dos Rios Unit 3 and the Articles of Incorporation and Bylaws of this Corporation.

Section 1.2 Compliance. All present or future owners, tenants, future tenants or any other person who might use the facilities of the Dos Rios Unit 3 in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Lot of the Dos Rios Unit 3 or the mere act of occupancy of such Lot will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE II
Membership

Section 2.1 Automatic Membership. The owner of a Lot, upon becoming such owner, shall be entitled and required to be a member of the Corporation and shall remain a member for the period of his or her ownership.

Section 2.2 One Membership. There shall be one membership in the Corporation for each Lot. Such membership shall be appurtenant to the Lot and shall be transferred automatically by a conveyance of that Lot to any new owner. Each membership shall be entitled to one vote, and in the event the membership is held by more than one owner, the vote must be cast only as a single vote and split or divided votes of membership shall not be allowed.

Section 2.3 Number of Memberships. There shall be 101 memberships in the Corporation in the aggregate, being one membership for each Lot.

Section 2.4 Transfer. No person other than an owner of a Lot may be a member of the Corporation and a membership may not be transferred except in connection with the conveyance or transfer of the Lot; provided, however, that such membership may be assigned to the holder of a mortgage or Deed of Trust as further security for the loan secured by the lien of the mortgage holder upon the Lot.

Section 2.5 Person. The term "person" for the purpose of membership shall include a corporation, partnership, limited liability company, trust, joint venture or other legal entity that has valid title to any Lot. Any officer, director, shareholder, partner, or trustee of such entity may exercise the membership rights of the entity and shall further be entitled to serve on the board of directors and as an officer of the Corporation.

Section 2.6 Termination. Such membership shall terminate without any formal corporate action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former Lot owner from any liability or obligation incurred under or in any way connected with Dos Rios III Property Owners Association during the period of such ownership and membership in this Corporation, or impair any rights or remedies which the Board of Directors of the Corporation or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE III
Meetings

Section 3.1 Annual Meetings. The annual meeting of the membership shall be held between August 1st and October 31st of each year, beginning in the year 1999, at a time and place set forth in the notice of said meeting. At the annual meeting the membership shall elect

the board of directors and transact such other business a may properly come before it.

Section 3.2 Special Meetings. Special meetings may be called at any time by the board of directors, the president, or upon a written request signed by a majority of the members. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three-fourths of the owners present, either in person or by proxy.

Section 3.3 Notice of Meeting. Notice of the date, place and time of the annual meeting, or any special meeting, shall be given to each member either by delivering such notice to the member personally, or by mailing the same to him or her by United States mail, which notice shall be given not later than ten days prior to the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the membership register of the Corporation, with postage prepaid thereon.

A member may waive notice of any meeting.

Section 3.4 Quorum. A majority of the members of the Corporation in good standing and in actual attendance in person or by proxy at any annual or special meeting of the Corporation shall constitute a quorum at such meeting for the purpose of transacting business. If a quorum is present, the affirmative vote of a majority of the members present at such meeting in person or by proxy and entitled to vote on the subject matter shall be the act of the membership, unless the vote of a greater number is required by the Articles of Incorporation, the laws of the State of Colorado or the Declaration of Protective Covenants for Dos Rios Unit 3.

Section 3.5 Voting of Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of this execution unless otherwise provided in the proxy.

Section 3.6 Order of Business. The order of business at the annual meeting, and as applicable at any special meeting, shall be as follows:

1. Roll call
2. Proof of notice of meeting
3. Reading and approval of any unapproved minutes
4. Reports of officers and committees
5. Election of directors
6. Unfinished business
7. New Business
8. Adjournment

Section 3.7 Majority of Members. The term "majority of members" shall mean the owners of more than fifty percent of the Lots.

ARTICLE IV Board of Directors

Section 4.1 Number of Directors. The initial number of directors shall be five. The number of directors may be increased or decreased to not less than 5 nor more than 7 by a majority vote of the board of directors or members.

Section 4.2 Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the Corporation. Such powers and duties shall include, but shall not be limited to, the following:

4.2.1 Exercising all power, duty and authority vested in or delegated to the board of directors under the Articles of Incorporation and Bylaws of the Corporation.

4.2.2 Exercising all power, duty and authority vested in or delegated to the board of directors under the Declaration of Protective Covenants for Dos Rios Unit 3.

4.2.3 Fixing, collecting and enforcing all assessments as provided for in the protective covenants of the subdivision.

4.2.4 Exercising any and all powers granted to the Corporation by the Colorado Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as the same now exists or may hereafter be amended from time to time.

4.2.5 Exercising any other power permissible under applicable Colorado law.

4.2.6 Commencing and maintaining, in its own name, on its own behalf, or in the names and on behalf of Lot owners who consent thereto, suits and actions to restrain and enjoin any breach or threatened breach of the Rules and Regulations of the Corporation.

4.2.7 To appoint the design review board for Dos Rios Unit 3 in accordance with the Declaration of Protective Covenants for Dos Rios Unit 3.

Section 4.3 Tenure. Each director shall hold office for a term of three years from the date of his election and until his successor shall have been elected and qualified to office, subject only to the provisions of Section 4.5.

Section 4.4 Qualifications. All directors shall be members of the Corporation.

Section 4.5 Term of Office. Directors shall be elected at each annual meeting and shall serve for a term of three years; provided, however, that at the organizational meeting of the board of directors, one director shall be elected for a term of three years, one director shall be elected for a term of two years, and one director shall be elected for a term of one year. Thereafter a director shall be elected for a term of three years to fill the vacancy of a director whose term expires.

Section 4.6 Elections. Elections for the board of directors shall be by ballot, either oral or written, with the person receiving the highest number of ballots cast for such director vacancy being declared elected.

Section 4.7 Vacancies. The board of directors is empowered to fill any vacancy that may occur in its own body, or among the officers of the Corporation, and the person so appointed to such office shall hold that office until the expiration of the term of the person he or she succeeds.

Section 4.8 Compensation. No director shall be entitled to receive any compensation as a director of the Corporation; provided, however, that he may be reimbursed for any actual expenses incurred in the performance of his duties as a director.

Section 4.9 Chairman and Secretary-Treasurer. The president of the Corporation shall be the chairman of the board of directors and the secretary-treasurer of the Corporation shall be the secretary-treasurer of the board of directors.

Section 4.10 Regular Meetings. The regular meeting of the board of directors shall be held without other notice than this Bylaw immediately after and at the same place as the annual meeting of the members of the Corporation. Additional regular meetings shall be held quarterly at a time and place to be designated in the notice of such meetings.

Section 4.11 Special Meetings. Special meetings of the board of directors may be called by the president or any two directors. Any special meeting shall be held at a time and place designated in the notice of such meeting.

Section 4.12 Telephonic Meetings. All members of the board of directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 4.13 Quorum. A majority of the board of directors, as provided in Section 4.1, shall constitute a quorum for the transaction of business at any meeting of the board of directors. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number of directors is required by the Articles of Incorporation, the statutes of the State of Colorado, or the Declaration of Protective Covenants for Dos Rios Unit 3.

Section 4.14 Notice. Notice of any meeting of the board of directors shall be given at least three days prior thereto by written notice delivered personally to a director or mailed to each director by United States mail at his address as shown on the membership roll of the Corporation. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the board of directors must be specified in a waiver of notice of such meeting.

Section 4.15 Removal. Directors may only be removed at a meeting of the membership called in accordance with the requirements of Article III. The entire board of directors or a lesser number may be removed, with

or without cause, by a vote of a majority of the members in good standing present at such meeting in person or by proxy.

ARTICLE V

Officers

Section 5.1 Number. The officers of the Corporation shall be a president, secretary and treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person, except that the office of president and secretary may not be held by the same person.

Section 5.2 Tenure. The officers set forth in this Article shall be elected at the annual meeting of the board of directors of the Corporation, shall hold office until the next annual meeting of the board of directors and until their successors have been elected and qualified.

Section 5.3 Qualifications. The president, and secretary-treasurer shall be members of the board of directors. Any additional officers elected or appointed by the board of directors need not be members of the board of directors of the Corporation.

Section 5.4 Election. The officers of the Corporation shall be elected by the board of directors by ballot, oral or written, with the person receiving the majority of the ballots cast for such office being declared elected.

Section 5.5 Vacancy. A vacancy in any office because of the death, resignation, removal, disqualification or inability to act shall be filled by the board of directors for the unexpired portion of the term of that office.

Section 5.6 President. The president shall be the principal executive officer of the Corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the Corporation. He or she shall, when present, preside at all meetings of the members and of the board of directors. He or she may sign, with the secretary or any other proper officer of the Corporation thereunto authorized by the board of directors, deeds, mortgages, contracts or other instruments, and in general, shall perform all duties incident to the office of the president and such other duties as may be prescribed by the board of directors from time to time.

Section 5.7 Secretary. The secretary shall: (a) keep the minutes of the members' meetings and of the board of directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; and (d) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the board of directors.

Section 5.8 Treasurer. The treasurer shall: (a) if required by the board of directors, give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors shall determine; (b) be responsible for all funds of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever; deposit all such monies in the name of the Corporation in such banks as shall be selected by the board of directors; sign checks and drafts for the payment of corporate funds; and (c) in general, perform all of the duties as from time to time may be assigned to him by the president or by the board of directors.

Section 5.9 Salaries. Officers of the Corporation may receive salary or compensation for their services in such offices if, in the discretion of the board of directors, it is deemed necessary and reasonable.

Section 5.10 Removal. Any officer may be removed by the board of directors whenever, in the board's judgment, the best interests of the Corporation would be served thereby. Such removal can be accomplished at any special meeting of the board of directors called in accordance with the requirements of Article IV. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

ARTICLE VI

Contracts, Loans, Checks and Deposits

Section 6.1 Contracts. The board of directors may authorize by resolution any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

Section 6.2 Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 6.3 Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by any two of the following officers of the Corporation:

President
Secretary
Treasurer

Section 6.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the board of directors may elect.

ARTICLE VII **Fiscal Year**

The fiscal year of the Corporation shall begin on the 1st day of January and terminate on the 31st day of December of each year.

ARTICLE VIII **Seal**

The board of directors shall provide a corporate seal that shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation and the word, "SEAL".

ARTICLE IX **Waiver of Notice**

Whenever any notice is required to be given to any member or director of the Corporation under the provisions of these Bylaws or under the provisions of the laws of the State of Colorado, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X **Indemnification of Officers and Directors**

The Corporation shall indemnify every officer or director and their heirs, executors and administrators against all loss, costs and expense, including attorneys' fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party by reason of their being or having been an officer or director of the Corporation, except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the persons to be indemnified have not been guilty of gross negligence or willful misconduct in the performance of their duties as such officer or director in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such officer or director may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Corporation by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Corporation as common expenses; provided, however, that nothing in this Article shall be deemed to obligate the Corporation to indemnify any member who is or has been an officer or director of the Corporation with respect to any duties or obligations assumed or liabilities incurred by them under and by virtue of the Declaration of Protective Covenants for Dos Rios Unit 3 as an individual owner of a Lot covered hereby and not as a director of the Corporation.

ARTICLE XI **Obligation of the Lot Owners**

Section 11.1 Assessments. Except as is otherwise provided in the Declaration of Protective Covenants for Dos Rios Unit 3, all Lot owners shall be obligated to pay the regular and any special assessments imposed by the Corporation to meet the common expenses of the Corporation. A member shall be deemed to be in good standing and entitled to vote at any annual meeting or at a special meeting of members, within the meaning of these Bylaws if, and only if, such members shall have fully paid all assessments made or levied against them and the Lot owned by them as of the date of such meeting. The Corporation shall have the authority to impose liens for nonpayment as set forth in the Declaration of Protective Covenants for Dos Rios Unit 3.

Section 11.2 Rules and Regulations. The board of directors shall have the power to establish, make

and enforce compliance with such rules and regulations as may be necessary for the operation, use and occupancy of Dos Rios Unit 3 with the right to amend the same from time to time.

ARTICLE XII

Lien for Non-Payment of Fees

All costs, charges and fees billed in the manner above set forth and not paid within thirty days from the date of billing, together with interest thereon, shall constitute a lien on the Lot of the non-paying Lot owner in favor of the Association. Such lien shall be superior to all other liens and encumbrances upon such Lot except only:

12.1 Tax and assessment liens on the Lot, or any liens of any governmental authority; and

12.2 All sums unpaid on a first mortgage or Deed of Trust of record.

Provided further, the Corporation shall have all such powers granted to it as to the enforcement, lien priority, and rights of collection as are set forth in the Colorado Common Interest Ownership Act as now exists and as may be hereafter amended from time to time.

To evidence such lien the Association may prepare a written notice of lien setting forth the amount of the unpaid bill, the name of the record owner of the Lot and a description thereof. Such notice may be recorded in the records of Gunnison County, Colorado. Such lien shall attach from the date of failure of payment of the bill, and will include the amount of the bill remaining unpaid, accrued interest thereon, and all fees and costs incurred by the Association in the preparation and recording of said notice of lien and a release thereof. Said lien may be enforced by foreclosure in the same manner as foreclosure of a mortgage. In such foreclosure, the Lot owner shall be required to pay the costs and expenses for such proceedings, the costs and expenses for filing the notice of lien and all reasonable attorneys' fees incurred by the Association. The Lot owner shall also be required to pay to the Association the monthly bills for the Lot during the period of foreclosure. The Association shall have the power to bid in the Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

All costs, charges and fees billed in the manner above set forth and not paid within thirty days from the date of billing, together with interest thereon, shall constitute a

lien on the Lot of the non-paying Lot owner in favor of the Corporation. Such lien shall be superior to all other liens and encumbrances upon such Lot except only (1) tax and assessment liens on the Lot, or any liens of any governmental authority and (2) all sums unpaid on a first mortgage of record, including all unpaid obligatory advances made pursuant to such mortgage.

ARTICLE XIII

Amendments

These Bylaws may be altered, amended or repealed and new bylaws adopted by the board of directors at any regular meeting upon an affirmative vote of not less than two-thirds of the entire membership of the board of directors.

Adopted

Dos Rios III Property Owners Association,
a Colorado nonprofit corporation

By:

Secretary

DECLARATION OF PROTECTIVE COVENANTS

FOR DOS RIOS UNIT 3

LAND ENTERPRISES COMPANY, A Kansas partnership, hereby declares the following covenants, limitations, conditions, restrictions and uses upon Dos Rios Unit 3 under the terms and conditions hereafter set forth.

1. PURPOSES: This Declaration of Protective Covenants is made for the purpose of creating and keeping Dos Rios Unit 3 desirable, attractive, beneficial and suitable in architectural design, materials and appearance; to guard against unnecessary interference, fire and loss of the natural beauty of the real property; and to provide for the mutual benefit and protection of the owners of real property within the subdivision.

2. PROPERTY AFFECTED: These Protective Covenants shall apply to and be binding upon the following described real property situate in Gunnison County, Colorado:

DOS RIOS UNIT 3, according to the plat thereof filed October 3, 1978, and bearing Reception Number 331760 of the records of Gunnison County, Colorado.

Said real property being further described by legal description in attached Exhibit 'A', incorporated herein by reference.

3. DEFINITIONS: For the purpose of the Declaration of Protective Covenants, certain words or phrases shall be defined as follows:

A. Declarant. Land Enterprises Company, a Kansas partnership, or such other person, corporation or entity designated by a recorded document as the successor Declarant.

B. Subdivision. Dos Rios Unit 3, being all of the real property set forth on attached Exhibit 'A'.

C. Lot. The individual numbered lots as set forth on the plat of the subdivision.

D. Person. A person, corporation, partnership, association, fiduciary, or any other entity holding title to any lot.

E. Building. A structure having a roof supported by columns or walls to provide shelter, support, or enclosure for protection of persons or property.

F. Dwelling. Any room or group of rooms in a building with kitchen facilities designated for and used as a dwelling for one (1) family as an independent housekeeping unit, which may include one attached accommodation unit, no larger than one-third (1/3) of the total floor area of the dwelling unit.

4. LOT USE. All lots within Dos Rios Unit 3 shall be used exclusively for a single family dwelling. No business or commercial activities of any nature shall be conducted on any lot. No such lot may be divided or resubdivided into a smaller lot or portion of a lot; provided, however, that adjoining lot owners may sell or purchase adjoining property to accomplish the relocation of a boundary line between the adjoining lots so long as such conveyance shall not decrease the size of any single lot to less than .30 acres.

5. DESIGN CONTROL. No building or other structure of any kind whatsoever may be constructed, erected or maintained within Dos Rios Unit 3, nor shall any addition, alteration or structural change be made to an existing building or structure except in conformity with the following terms and conditions:

A. Prior to such construction or erection, the plans of the proposed building or structure shall be submitted to the Architectural Review Committee requesting approval. The request for approval by the Architectural Review Committee shall have attached to such request the following documents:

1. A plot plan showing the location of any building, access drives and parking areas, all trees having a diameter of 4" and above ground 3" or more. All other terrain and structural features, such as large rocks, ponds, patios, utility lines, and storage areas should be indicated.

2. Plans and specifications for such building or structure.

3. Samples of the principal exterior materials and color schemes.

4. Grading plan, access and parking facilities.

B. The Architectural Review Committee shall consider the suitability of the proposed building, the harmony thereof with the environment, the effect of such building on the utilization and view of the lot upon which the same will be built and the surrounding land, and the

placement of the structure with respect to topography, ground elevations, existing natural and terrain features, and setback from lot lines.

C. The Architectural Review Committee shall within thirty (30) days of receipt of a request for approval, with all accompanying data, determine in writing whether it approves or disapproves of the construction of the proposed building or structure or any additions or alterations to an existing building or structure. In the event that the Architectural Review Committee fails to take action within thirty (30) days of the receipt of said request, the application shall be conclusively deemed to have been approved.

D. The decision of the Architectural Review Committee shall be final, subject only to the right of judicial review as provided by the laws of the State of Colorado by any aggrieved person owning a lot within Dos Rios Unit 3; provided, however, that the Architectural Review Committee shall indicate to the applicant in the event of disapproval or rejection, the reason for rejection and disapproval, and shall afford the applicant an opportunity to resubmit, with revisions and corrections which will bring the submission into conformity with this Declaration of Protective Covenants.

6. BUILDING LOCATION AND CONSTRUCTION.

A. The construction of any building shall be in accordance with the uniform building code then in effect. The quality of workmanship and materials in any building shall be equal to or exceed comparable buildings of the same type in the subdivision.

1. No lot may have a basement of any kind or character whatsoever.

2. Every dwelling must include a car garage, the minimum square footage of which must exceed 400 square feet.

3. Minimum square footage of living area shall be 1,400 square feet.

4. Non-attached storage units are acceptable, but must be approved by the Architectural Review Committee.

B. The following exterior architectural standards shall apply within Dos Rios Unit 3:

1. Exterior building materials shall be predominately natural, such as wood siding, shingles and native stone.

2. Roofs shall have a design and be constructed of materials that are harmonious with the surrounding area and are not of reflective type materials.

3. Earth colors shall predominate.

4. Each lot shall have not less than two (2) off-street automobile parking spaces on a graveled or hard surface driveway or parking area.

5. Service or storage areas, garbage cans and stored material shall be screened from view on all sides. Firewood cut to combustible lengths need not be so screened.

6. Exterior lighting shall be so designed and directed as to not be a nuisance. Lighting shall not be directed outward, but shall depend on indirect illumination. The light source shall not be visible to the extent possible.

7. Such further standards, rules and regulations as may be adopted by the Architectural Review Committee for the construction and erection of buildings and structures to insure that all buildings and construction is in conformity with the goals and concepts of Dos Rios Unit 3.

C. The maximum height of a building as measured vertically from the average finished grade of the structure to the highest point of the structure shall be 30 feet.

D. The Architectural Review Committee, upon application, hearing and written approval, may grant a variance of the height restrictions above set forth upon a determination that such restriction would work an undue hardship upon the owner of a lot and that such variance would not impair, hinder or detract from the sightline of any adjoining property.

7. TEMPORARY BUILDINGS. No mobile homes or temporary buildings of any nature shall be allowed within the subdivision. During construction of any building within the subdivision, the contractor thereof may maintain temporary buildings for office and storage purposes during the period of construction only.

8. ANIMALS.

A. No animals of any nature shall be permitted or maintained on any lot, subject to the provision that the owner of any dwelling unit may

keep and maintain not to exceed two (2) domesticated household pets for the personal use and enjoyment of the residents of the dwelling.

B. No domesticated household pet shall be allowed to run at large. Any such animal shall either be kept within an enclosed or fenced area, or controlled by leash.

9. NUISANCES. No obnoxious or nuisance activity shall be permitted within the subdivision. Nuisance activities defined to be such activities encompassed by the criminal nuisance statutes of the State of Colorado, presently Sections 16-13-303, 16-13-304, 16-13-305 C.R.S. Nor shall trash, debris or refuse of any nature be deposited, kept or maintained within the subdivision, nor the same be burned out of doors within the subdivision. No firearms, fireworks, explosives, arrows, air-rifles, BB-guns or similar devices be discharged anywhere within the subdivision.

10. SIGNS. No signs or advertising structures or devices of any nature shall be erected, constructed or maintained on any such lot; provided, however, that the design committee may approve and allow an individual identification sign for the owner of a residence on such lot.

11. EASEMENTS. All easements as set forth on the subdivision plat are reserved to the Declarant or their assigns for the installation and maintenance of full and adequate utilities, their installation and maintenance. No buildings or structures of any nature shall be placed or permitted on said easements, which may damage or interfere with the installation, maintenance and repairs of any utilities constructed thereon. *Plat Map*

12. FENCES. Fences, hedges, walls and landscaping devices may be allowed after written approval by the Architectural Review Committee provided they do not exceed six feet in height, are made of high quality on both sides and are maintained in good repair. Fences, hedges, walls and landscaping devices may not encroach upon reserved easements.

13. MOTORIZED VEHICLES. Except for vehicles utilized by utility companies, no motorized vehicles or self-propelled vehicles of any nature or description shall be allowed upon any of the reserved easements.

Each dwelling is required to have a garage in excess of 400 square feet. Such a garage shall be considered a two-car garage. Each dwelling is entitled to park outside of the garage one currently licensed, registered and fully operable vehicle. Vehicles stored within the dwelling's garage need not be licensed, registered or operable.

14. RECREATIONAL EQUIPMENT. In addition to the exception provided in paragraph 13 for licensed, registered and fully operable motor

vehicles, one recreational unit per dwelling such as boats, campers, travel trailers, golf carts, or other such devices may be parked, stored or maintained outside of the garage.

Vehicles not originally designed and constructed for use as a motor home or camper cannot be stored outside of garages within the subdivision.

15. SANITATION. All dwellings erected or constructed within Dos Rios Unit 3 shall be connected to and served by the Dos Rios Sanitation District.

16. REPAIRS. All buildings and structures shall at all times be kept in good and proper repair and in an attractive appearance by the owner thereof.

17. CONTINUITY OF CONSTRUCTION. All buildings and structures commenced within the subdivision shall be completed with due diligence and shall be totally completed within one (1) year after excavation of the foundation, unless an extension of time is granted by the Architectural Review Committee for good and sufficient cause.

18. LANDSCAPING. All surface areas disturbed during construction shall be promptly returned to their natural condition, and the surface of any lot shall be planted and maintained in a natural manner with grass, flowers, and trees properly indigenous to the area and in conformity with the neighborhood standard.

19. HOMEOWNERS' ASSOCIATION. The Declarant reserves the right to form a Colorado non-profit corporation, of which each lot owner within the subdivision would automatically be a member, for the purpose of succeeding to the rights of the Declarant hereunder, or otherwise to carry out the purposes of this Declaration of Protective Covenants.

20. FISHING EASEMENT. The owner of each lot is hereby granted a non-exclusive easement for the purpose of fishing that portion of the Gunnison River owned by Declarant adjoining Dos Rios Gunnison Home Sites Nos. 1, 2, and 3, according to the official plats of each on file in the office of the Gunnison County Clerk and Recorder.

21. EFFECT AND DURATION OF COVENANTS. The conditions, restrictions, stipulations, agreements and covenants herein contained shall be for the benefit of and binding upon each lot in the subdivision and each owner thereof, his successors and assigns, and shall continue in full force and effect for twenty (20) years after the date of recording of this instrument in Gunnison County, Colorado, at which time they shall be automatically extended for five (5) successive terms of ten (10) years each, unless amended in the manner hereafter provided.

22. AMENDMENT. The conditions, restrictions, stipulations, agreements and covenants herein contained shall not be waived, abandoned, terminated or amended except by an instrument setting forth the written consent of the owners of seventy-five percent (75%) of the lots within the subdivision, which instrument shall be duly executed, acknowledged and recorded in Gunnison County, Colorado.

Until such time as seventy-five percent (75%) of the lots within Dos Rios Unit 3 have been conveyed to third persons by the Declarant, these Protective Covenants shall not be waived, abandoned, terminated or amended except upon the written consent of the Board of County Commissioners of Gunnison County, Colorado.

23. ASSIGNMENT. All of the rights of the Declarant herein reserved, including the right to architectural control and rights to enforce any and all of the covenants herein, shall be freely assignable by the Declarant, and any assignee shall succeed to all of the rights of the assignor.

24. ENFORCEMENT. If any person shall violate or threaten to violate any of the provisions of this instrument, it shall be lawful for any owner of a lot in Dos Rios Unit 3, or the Dos Rios Unit 3 Homeowners Association, or Gunnison County, Colorado, to institute proceedings at law or in equity to enforce the provisions of this instrument, and to recover damages, actual and punitive, together with reasonable attorney's fees for such violation.

25. SEVERABILITY. The invalidation of any one or more of the sections of this instrument by any court shall in no way effect the other sections of the instrument, which shall remain in full force and effect.



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CONSENT TO AMENDMENT OF THE
DECLARATION OF PROTECTIVE COVENANTS
FOR DOS RIOS UNIT 3

The undersigned, as owner(s) of a lot in the DOS RIOS UNIT 3, according to the plat thereof filed October 3, 1978, and bearing Reception No. 331760 of the records of Gunnison County, Colorado, hereby consent to the following amendment to the Declaration of Protective Covenants for Dos Rios Unit 3 recorded October 29, 1997, bearing Reception No. 479386 of the records of Gunnison County, Colorado.

Paragraphs 14 and 15 are hereby deleted and replaced with the following provisions:

14. Exterior Storage of Vehicles and Recreational Equipment. Each dwelling is required to have an enclosed garage of not less than 400 square feet. No more than three vehicles or items of recreational equipment, or combination thereof, shall be stored upon any lot, outside of the garage, as provided herein. Any vehicle or item of recreational equipment which is stored upon a lot, outside of the garage, must be fully operational and where required by Colorado statute, have current registration and display a current number plate. For purposes of this paragraph, recreational equipment includes boats, campers, motorcycles, and other motorized vehicles intended for off-road use and not required to be registered under the Colorado statutes, snow-mobiles, and golf carts or other similar devices. When more than one item of recreational equipment is kept upon or within a trailer which is currently registered and displays a current number plate, it shall be considered a single vehicle or item of recreational equipment for purposes of this paragraph. No vehicle which was not originally designed and constructed for use as a motor home or camper, but has been converted to such use, shall be stored upon any lot outside of a garage.

15. Reserved for future use.

Don Lee Mundell
Signature

Nancy Sue Sherman-Mundell
Signature

Lot No. 20

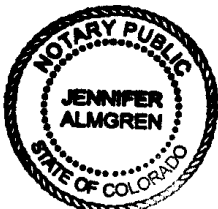
STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

The foregoing Consent was acknowledged before me this 27 day of SEPTEMBER, 2005, by DON LEE MUNDELL & NANCY SUE SHERMAN-MUNDELL (print names).

WITNESS my hand and official seal.

My commission expires:

Jennifer Almgren
Notary Public



My Commission Expires 8-1-07

Dos Rios III Homeowners Association, Inc.
A Colorado nonprofit corporation

COLLECTION POLICY

The following Collection Policy was adopted on this 28th day of January 2014, by the Board of Directors of Dos Rios III Homeowners Association, Inc., a Colorado nonprofit corporation ("Association") pursuant to §§ 38-33.3-209.5, 38-33.3-316 & 38-33.3-316.3, C.R.S., at a regular meeting of the said Board.

IT IS RESOLVED that the Association hereby adopts this Collection Policy, to be effective on and after the 1st day of January, 2014, as follows:

1. Assessments. For purposes of this Policy, "assessments" or "regular assessments" include regular and special assessments and any associated fees, charges, late charges, attorney's fees, fines and interest. Assessments shall be paid in equal monthly, quarterly, bi-annual or annual installments, as determined by the Association Board, on or before the last day of the month during which such assessment is due. If an assessment is not paid by the last day of the month during which the assessment is due, the assessment is delinquent.
2. Late Fees & Interest. If the full amount of any assessment is not received by the Association's managing agent by the last day of the month in which the assessment is due, the assessment shall be considered delinquent. At such time, a late charge of \$25 shall be assessed to the delinquent account. Delinquent assessments shall also bear interest at the rate of one percent (1%) per annum from the date of delinquency until paid in full. The Association may also charge a \$25 fee for any bounced or returned check.
3. Prior to Referral to Legal Counsel. Prior to referring a delinquent account to the Association's legal counsel or to a collection agency, the Association shall mail to the delinquent unit owner, managing agent, a notice of the delinquency that specifies:
 - a. The total amount due with an accounting of how the total was determined;
 - b. Whether the opportunity to enter into a payment plan exists pursuant to Section 4 below, and instructions for contacting the Association to enter into a payment plan;
 - c. The name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt; and

- d. That action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the following:
 - i. The delinquent account being turned over to an attorney or a collection agency for collection;
 - ii. A lawsuit being filed against the owner;
 - iii. The filing and foreclosure of a lien against the unit owner's property;
 - iv. The Association applying for a court-ordered receivership over the property; and/or
 - v. Any other remedies available under Colorado law.

A sample Association delinquency notification letter is attached to this Collection Policy as Exhibit "A" for reference.

4. Payment Plans.

- a. *Eligibility.* A unit owner is entitled to enter into a payment plan with the Association so long as the unit owner has not previously entered into a payment plan pursuant to this collection Policy. If a unit owner has previously entered into a payment plan with the Association pursuant to this Collection Policy, the Association may immediately pursue any legal remedies for collection of further delinquent assessments, or may, in its discretion, offer to allow the unit owner to enter into another payment plan. If the Association offers to allow the unit owner to enter into another payment plan, said plan shall not be subject to the requirements of Paragraph 4 b. below.
- b. *Terms.* Any required payment plan shall be offered in writing by the Association to the unit owner and shall permit the unit owner to pay off the delinquency in equal installments over a period of at least six (6) months. The six (6) month timeframe shall commence as of the date when the notice letter contemplated by Section 3 above is mailed to the unit owner. The six (6) month offer by the Association to the unit owner is deemed to be the agreement among and between the unit owner and the Association, unless otherwise agreed in writing by both parties. The unit owner must also remain current with regular assessments as they come due during the payment plan time period. A unit owner's failure to remit payment

of an agreed-upon payment plan installment, or to remain current with regular assessments as they come due during the payment plan period, constitutes a failure to comply with the terms of the payment plan. If a unit owner fails to comply with terms of a payment plan, the Association may pursue the legal remedies permitted under Colorado law for collection of delinquent Association accounts.

5. Application of Payments. Payments received by the Association shall be applied in the following order, as may be applicable:

- a. Attorney's fees and legal costs and expenses;
- b. Fines, late charges and interest;
- c. Returned check charges and other costs owing or incurred with respect to such owner; and
- d. Assessments due or to become due with application to the most long-standing delinquent assessment first.

6. Legal Remedies. In the event a unit owner does not comply with a payment plan or is not eligible for a payment plan, the legal remedies available to the Association to collect a unit owner's delinquent account pursuant to the Association's governing documents and Colorado law are as follows:

- a. A lawsuit by the Association against the delinquent owner;
- b. The filing and foreclosure of a lien against the unit owner's property, but only if:
 - i. The balance of the assessments and charges secured by the lien equals or exceeds six (6) months of common expense assessments based on a periodic budget adopted by the Association related to the subject unit; and
 - ii. The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. The Executive Board may not delegate its duty to act under this subsection to any attorney, insurer, manager, or other person, and any legal action filed without evidence of the recorded vote authorizing the action must be dismissed.

- c. Referral of the delinquent account to the Association's attorney or a collection agency; and/or
 - d. The Association may apply to be the court-appointed receiver of the subject unit.
7. Exceptions. This Collection Policy does not apply if the unit owner does not occupy the unit and has acquired the unit as a result of:
- a. A default of a security interest encumbering the unit; or
 - b. Foreclosure of an Association lien.
8. Conflict of Laws. In the event of a conflict between this Collection Policy and the Association's Declaration, Bylaws, or any other policy, rule or regulation of the Association, the Collection Policy shall control.

CERTIFICATION

The undersigned, as Secretary of Dos Rios III Homeowners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Collection Policy was adopted by the Board of Directors of the Association at a duly called and held meeting on the 28th day of January 2014, and in witness thereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.,
a Colorado nonprofit corporation

By: _____

Jennifer Barvitski, Secretary

EXHIBIT A

(INSERT DATE)

SENT VIA CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Unit Owner

Re: **NOTICE OF ACCOUNT DELINQUENCY FROM**
_____, Inc.

Dear Unit Owner:

Please consider this letter to be formal notice pursuant to §38-33.3-209.5, C.R.S., and Dos Rios III Homeowners Association, Inc's ("Association") Collection Policy, that your Association account is delinquent. The attached statement shows the total amount due, which includes delinquent assessments, late fees and interest.

In order to satisfy the delinquency, you may enter into a six (6) month payment plan with the Association. The total amount owed as of the date of this letter to satisfy the delinquency is \$_____. The total amount owed, if you pay off the delinquency pursuant to a six (6) month payment plan, is \$_____, which includes interest at a rate of ____% per annum. Thus, if you agree to enter into a payment plan with the Association, you will have to submit \$_____ per month to the Association for six (6) months. You must also pay for regular assessments as they come due during this six (6) month time period. If you are interested in entering into a payment plan with the Association, please contact the undersigned via telephone at (970) _____ or via email at _____. You may also request from me an updated copy of your dues' statement to verify the amount of the debt.

Your action is required to cure the delinquency. Failure to cure the entire delinquency or submit the first payment of the payment plan within thirty (30) days from the date of this letter may result in: (1) your delinquent account being turned over for collection to an attorney or collection agency; (2) a lawsuit being filed against you; (3) the filing and foreclosure of a lien against your unit; (4) a receivership being instituted against your unit; and/or (5) any other remedies available to the Association under Colorado law.

Your attention to this matter is encouraged.

Sincerely,

Association Secretary

**RESOLUTION
OF THE
DOS RIOS III HOMEOWNERS ASSOCIATION, INC.
REGARDING COLLECTION OF UNPAID ASSESSMENTS**

SUBJECT: Adoption of a procedure for collection of unpaid assessments.

PURPOSE: To adopt a standard procedure to be followed so that collection actions are uniformly applied.

AUTHORITY: The Covenants, Articles and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: January 29 2014

RESOLUTION: The Association hereby adopts the following policy:

At a special meeting of the Board of Directors of Dos Rios III Homeowners Association, Inc. held on January 22, 2014, a procedure was adopted for collection of delinquent Dues assessments. The written resolution adopting such policy is hereby ratified and confirmed.

If the Board of Directors of Dos Rios III Homeowners Association, Inc. deems in the future that it is necessary to assess members for either common expenses or special assessments for particular association needs, said assessments will be billed by the Association's manager, and shall be due and payable in the same manner as Dues assessments. In the event that any such common expense assessment or special assessment is not paid when due, the manager shall advise the member in the next quarterly billing statement that the member is delinquent and will have a 10 day grace period to pay the delinquent amounts in full; otherwise, the delinquent amount shall bear interest at the rate of 1% per month and in addition, the member shall be assessed a finance charge of \$25 each month for amounts remaining delinquent.

Any delinquent amounts not paid in full within the 10 day grace period shall be turned over for collection to the Association's attorney. All legal fees and expenses incurred by the Association after referral to the attorney shall become additional assessments owed by the delinquent member, which shall be subject to interest and finance charges as set forth above. The attorney will be instructed to file suit for judgment against the delinquent member, or to foreclose the Association's assessment lien against the lot owned by the member,

or both.

CERTIFICATION: The undersigned, being the president of Dos Rios III Homeowners Association, Inc., certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 22, 2014.

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: Rob Strickland
Rob Strickland, President

**RESOLUTION
OF THE
DOS RIOS III HOMEOWNERS ASSOCIATION, INC.
REGARDING ENFORCEMENT OF COVENANTS
AND RULES AND LEVYING OF FINES**

SUBJECT: Adoption of a policy regarding enforcement of covenants and rules and levying of fines.

PURPOSE: To adopt standards to be used in the enforcement of covenants and rules and the levying of fines.

AUTHORITY: The Covenants, Articles and Bylaws of the Association and Colorado Law.

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

The Association acknowledges that it has a duty to the membership of the Association to enforce the Covenants in Dos Rios Unit III. It is the policy of the Association to enforce as written any provision of the Covenants that is clear and unambiguous.

If a violation of the Association's Covenants or a threatened violation is alleged by any member of the Association to the Board of Directors, the Board of Directors shall investigate the allegations to make a determination whether such violation or threatened violation has, in fact, occurred. In such investigation and subsequent enforcement if undertaken, the Board of Directors shall act in good faith and shall not act arbitrarily or capriciously.

The enforcement of any covenant or rule of the Association shall be subject to the discretion of the Board of Directors as to the timing, manner and method of pursuing such enforcement. Provided that its actions are reasonable, the Board of Directors may decline enforcement of questionable violations, enforce covenants by filing suit for injunctive relief or other remedies, or levy fines for violation of rules or covenants after notice and an opportunity to be heard is given to the alleged violator. In exercising such discretion, the Board of Directors shall consider both the specific covenant or rule violation alleged, and the overall interests of the community.

If an owner is determined to have violated a protective covenant or written rule or regulation of the Association, other than rules related to pets and the schedule of fines applicable thereto, after notice and hearing to the alleged violator, the Association may impose a fine for the violation in the amount of \$300, which shall be billed by the Association as a special assessment for which the Association shall have lien rights as with any other assessment. After imposition of the fine, if the violation is not remedied within 30 days thereafter, the Association may impose a second fine in the amount of \$500 for such violation which shall be assessed as a special assessment for which the Association shall have lien rights as with any other assessment. If the violation persists after 30 days from the levying of the second fine, the Association may pursue any other remedies available to it after considering advice of the Association's counsel.

It is the intent of the Board of Directors that once a violation of the covenants or an association rule has been determined by the Board of Directors to have occurred, that any expenses, costs, or legal fees incurred by the Association in enforcing compliance shall be paid by the violating member as a special assessment.

CERTIFICATION: The foregoing Resolution was approved and adopted by the unanimous consent of the Board of Directors of the Association, in lieu of a meeting as evidenced by the signatures of all board members below, effective January 22, 2014.

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**RESOLUTION
OF THE
DOS RIOS III HOMEOWNERS ASSOCIATION, INC.
REGARDING ADOPTION AND AMENDMENT
OF POLICIES, PROCEDURES AND RULES**

SUBJECT: Adoption of a policy regarding adoption and amendment of policies, procedures and rules.

PURPOSE: To adopt a policy for the adoption and amendment of association policies, procedures, rules and regulations.

AUTHORITY: Colorado Law

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

- 1) All policies, procedures, rules and regulations of the Dos Rios III Homeowners Association, Inc. shall be set forth in written resolutions of The Association adopted by the Board of Directors.
- 2) Amendment of any policies, procedures, rules and regulations may be made by the Board of Directors at any time and from time to time as the Board, in its discretion deems advisable or appropriate. Any amendment shall be set forth in a written resolution of the Association Board of Directors.
- 3) To the extent practicable, the Association will endeavor to adopt and disseminate to membership written policies, procedures, and rules and regulations so that members will be more informed of their rights and obligations in the subdivision and the process of subdivision governance by the Board. Additionally, it is the policy of the Dos Rios III Homeowners Association, Inc. that to the extent practicable, policies, procedures, rules and regulations be consistently and uniformly followed and enforced.
- 4) New or amended policies, procedures, rules and regulations shall be adopted by the Board as the interests of the Association dictate.

CERTIFICATION: The undersigned, being the president of Dos Rios III Homeowners Association, Inc., certifies that the foregoing Resolution was approved

and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 22, 2014.

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: Rob Strickland
Rob Strickland, President

**RESOLUTION
OF THE
DOS RIOS III HOMEOWNERS ASSOCIATION, INC.
REGARDING INSPECTION AND COPYING
OF ASSOCIATION RECORDS**

SUBJECT: Adoption of policies for retention, inspection and copying of association records.

PURPOSE: To adopt policies for the retention, inspection and copying of association records.

AUTHORITY: Colorado Law

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

The Association will keep as permanent records minutes of all meetings of the membership and board of directors, a record of all actions taken by the owners or board of directors by written ballot or written consent in lieu of a meeting, and a record of all waivers of notices of meetings of members and of the Board of Directors. The Association manager will maintain a record of members in a form that permits preparation of a list of the names and addresses of all such members, showing the number of votes each member is entitled to vote. The Association will maintain such records in written form or in another form capable of conversion into written form within a reasonable time.

All financial and other records will be made reasonably available for examination and copying by any member and such owner's authorized agents. The Association may charge a fee, which may be collected in advance, not to exceed the Association's actual cost per page, for copies of Association's records. As used in this Resolution, "reasonably available" means available during normal business hours, upon advance notice of 5 business days, or at the next regularly scheduled meeting if such meeting occurs within 30 days after the request, 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.

In addition to the records mentioned above, the Association will keep

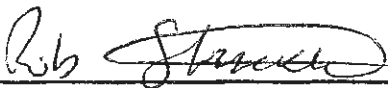
a copy of each of the following records at its principal office: a) its articles of incorporation; b) the minutes of all membership meetings, and records of all action taken by members without a meeting, for the past 3 years; c) all written communications within the past 3 years to members generally; d) a list of the names and business or home addresses of the current directors and officers; e) the most recent annual report, if any; and f) all financial audits or reviews conducted during the immediately preceding 3 years.

Notwithstanding anything contained herein to the contrary, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a lot owner without consent of the Board of Directors. 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 members 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.

CERTIFICATION: The undersigned, being the president of Dos Rios III Homeowners Association, Inc., certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 22, 2014.

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: 
Rob Strickland, President

**RESOLUTION
OF THE
DOS RIOS III HOMEOWNERS ASSOCIATION, INC.
REGARDING INVESTMENT OF RESERVE FUNDS**

SUBJECT: Adoption of standards for investment of reserve funds.

PURPOSE: To adopt a policy setting forth the standards for investment of reserve funds.

AUTHORITY: Colorado Law

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

With respect to the investment of reserve funds of the Association, the officers and members of the Board of Directors shall make investment decisions in good faith, with the care and ordinarily prudent person in like position with exercise under similar circumstances, and in a manner the director or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Non-Profit Corporation Act.

CERTIFICATION: The undersigned, being the president of Dos Rios III Homeowners Association, Inc., certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 22, 2014.

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: Rob Strickland
Rob Strickland, President

**RESOLUTION
OF THE
DOS RIOS III HOMEOWNERS ASSOCIATION, INC.
REGARDING CONDUCT OF MEETINGS**

SUBJECT: Adoption of a policy regarding conduct of meetings.

PURPOSE: To adopt procedures to be followed for conduct of membership and board of directors meetings.

AUTHORITY: The Covenants, Articles and Bylaws of the Association and Colorado Law.

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

All meetings of either the membership or board of directors of the Association will be held in accordance with the requirements of C.R.S. §38-33.3-308, 38-33.3-310 and 7-127-101 through 108, 7-128-201 through 206.

Membership meetings will be held at least once each year. Special meetings of the membership may be called by the president, by a majority of the Board of Directors, or by members having 20% of the votes in the Association. Notice of any meeting of the membership shall be given not less than 10 nor more than 50 days in advance of the meeting by delivering or sending prepaid by U.S. mail to the mailing address of each member. The notice of any membership meeting shall be physically posted in a conspicuous place, in addition to mailing. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the covenants or bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors.

Meetings of the Board of Directors, or any committee thereof, will be open to attendance by all members of the Association or their representatives. Agendas for meetings of the Board of Directors will be made available for examination by members or their representatives. Notwithstanding any contrary provision contained in the bylaws, at all meetings of the Board of Directors, after a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to the vote of the Directors, owners or their designated representatives present at such time shall be afforded an opportunity to speak on the motion. The chairman of the

Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board will provide for a reasonable number of persons to speak on each side of the issue.

Membership meetings where there are contested elections of board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each owner entitled to vote pursuant to the bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an owner holds a proxy for another owner, upon presentation of such proxy to the secretary of the Association, the owner shall receive a secret ballot to cast the vote of the owner who provided the proxy. The proxy shall be kept and retained by the Association.

In uncontested elections of board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at the meeting of the owners shall be taken in such method as determined by the Board of Directors including acclamation by hand, by voice or by ballot. Notwithstanding the above, uncontested elections of board members or other votes on matters affecting the subdivision shall be by secret ballot at the discretion of the Board or upon the request of 20% of the owners who are present at the meeting or represented by proxy.

When secret ballots are used, written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not board members, and in the case of a contested election, are not candidates.

The committee shall be selected or appointed at an open meeting, in a fair manner, by the chairman of the Board of Directors or another person presiding during that portion of the meeting.

CERTIFICATION: The undersigned, being the president of Dos Rios III Homeowners Association, Inc., certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 22, 2014.

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: Rob Strickland
Rob Strickland, President

**RESOLUTION
OF THE
DOS RIOS III HOMEOWNERS ASSOCIATION, INC.
REGARDING HANDLING OF CONFLICTS OF INTERESTS
INVOLVING BOARD MEMBERS**

SUBJECT: Adoption of a policy regarding handling of board member conflicts of interests.

PURPOSE: To adopt a policy to be followed when board member conflicts of interests arise.

AUTHORITY: Colorado law

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

As used in this Resolution, "conflicting interests transaction" means a contract, transaction or other financial relationship between the Association and a board member, or between the Association and a party related to a board member, or between the Association and an entity in which a board member of the Association is a board member or officer or has a financial interest.

"Board Member" means a member of the Association's Board of Directors.

"Party Related to a Board Member" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the board member or a party related to a board member has a beneficial interest, or an entity in which a party related to a board member is a director or officer or has a financial interest.

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 the loan until it is repaid.

No conflicting interests transaction shall be voidable by an owner or on behalf of the Association if: 1) the facts about the conflicting interest transaction are disclosed to the Board and a majority of the disinterested board members, even if less than a quorum, in good faith approves the conflicting interest transaction; 2) the facts about the conflicting interest transaction are disclosed or known to the

owners entitled to vote on the matter and the conflicting interest transaction is authorized in good faith by a vote of the owners entitled to vote on the matter; or 3) the conflicting interest transaction is fair to the Association.

CERTIFICATION: The undersigned, being the president of Dos Rios III Homeowners Association, Inc., certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 22, 2014.

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: Rob Strickland
Rob Strickland, President

**RESOLUTION
OF THE
DOS RIOS III HOMEOWNERS ASSOCIATION, INC.
REGARDING ALTERNATIVE DISPUTE RESOLUTION**

SUBJECT: Adoption of a procedure regarding alternative dispute resolution.

PURPOSE: To adopt a standard procedure to be followed for alternative dispute resolution.

AUTHORITY: The Covenants, Articles and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

In the event of any dispute involving the Association and an owner the owner is invited and encouraged to meet with the Board of Directors to resolve the dispute informally and without the need for litigation. If the owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the owner's request.

Nothing in this policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Depending on the nature of the dispute, the Board of Directors will consider whether some form of alternative dispute resolution may be appropriate in the circumstances before proceeding to litigation. Neither the Association nor the owner waives any right to pursue whatever legal or other remedial action are available to either party.

CERTIFICATION: The undersigned, being the president of Dos Rios III Homeowners Association, Inc., certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 29 2014.

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By:


Rob Strickland, President