

***RULES, REGULATIONS, POLICIES AND PROCEDURES
FOR
VALLEY COUNTRY CLUB ESTATES***

TABLE OF CONTENTS

1. ASSOCIATION SERVICE AND MAINTENANCE POLICY STANDARDS. 2

2. MAINTENANCE OF CERTAIN DESIGNATED PERIMETER FENCES. 2

3. TEMPORARY BASKETBALL HOOPS. 2

4. ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE LOTS. 2

5. CONSTRUCTION PERIOD RULES AND REGULATIONS..... 2

6. PROPER USE OF COMMON AREA..... 3

7. MISCELLANEOUS TERMS AND CONDITIONS..... 3

8. POLICIES AND PROCEDURES 4

8.1. *Inspection and Copying of Association Records Policy*4

8.2. *Disputes between the Association and Owners, and from Owner to Owner.*7

8.3. *Association Covenant and Rule Enforcement Policy.*8

8.4. *Investment of Reserve Funds Policy.*10

8.5. *Reserve Study Policy*11

8.6. *Conflicts of Interest Policy.*12

8.7. *Conduct of Meetings Policy.*13

8.8. *Collection of Unpaid Assessments Policy.*17

8.9. *Policy Regarding the Adoption of Policies, Procedures, Rules, Regulations or Guidelines.*.....20

8.10. *Policy Regarding Signs, Displays, and Flags.*.....21

EXHIBIT A (Records Request Form) 23

RULES, REGULATIONS, POLICIES AND PROCEDURES
FOR
VALLEY COUNTRY CLUB ESTATES

These Rules, Regulations, Policies and Procedures (“Rules” or “Policies”) have been adopted and implemented to protect the investment of the Members and to enhance the values of the Properties subject to regulation by the Association.

1. ASSOCIATION SERVICE AND MAINTENANCE POLICY STANDARDS. The Association shall endeavor to provide services and to maintain the Common Area and areas which are the responsibility of the Association in a manner consistent with the Articles of Incorporation of Valley Country Club Estates Association (the “Articles”), the Bylaws of Valley Country Club Estates Association (the "Bylaws"), the Declaration, as amended (the "Declaration") and these Rules (collectively, the "Governing Documents").

2. MAINTENANCE OF CERTAIN DESIGNATED PERIMETER FENCES. Owners of lots adjacent to the designated perimeter fences maintained by the Association may stain, paint or otherwise care for the interior side of the Association's designated perimeter fences. However, that maintenance of an Owner should not cause any change in the exterior appearance of the Association's designated perimeter fences.

3. TEMPORARY BASKETBALL HOOPS. Temporary basketball hoops may only be placed on the driveway of a Lot, with the prior approval of the Architectural Control Committee. No temporary basketball hoops may be placed on sidewalks or in the streets within the Community.

4. ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE LOTS. No landscaping change, alterations, additions or improvements may be made to a Lot without the prior written consent of the Architectural Control Committee established by the Declaration. The Board may adopt guidelines (as allowed for and pursuant to procedures set forth in the Declaration). Once adopted, those guidelines, as amended from time to time, shall be deemed incorporated within these Rules.

5. CONSTRUCTION PERIOD RULES AND REGULATIONS. In the interest of all homeowners, the following regulations shall be enforced during the construction period of any improvements on a Lot. These regulations shall be a part of the construction documents and contract for each home, and all contractors and homeowners shall abide by these regulations.

5.1. Construction Hours. Construction work on any structure or building site shall not commence before 7:00 a.m. or continue after 7:00 p.m. Monday through Saturday.

5.2. Excavation. Excess excavation material may be required to be removed from the property. Excavation, except utility trenching, shall be on the Owner's site only.

5.3. Utilities. Contractors will use only the utilities provided on the site on which they are working. Accessing utilities from any other site without written permission of the Owner of that site is trespassing and violators may be charged.

- 5.4. Debris and Trash Removal. Daily clean-up of construction sites of homeowners is mandatory. All trash and debris shall be stored in a fenced or other appropriate trash disposal area and shall be removed from the trash disposal area on a periodic basis. All street(s) and open space shall be kept free of debris or soil from construction on a homeowners Lot.
- 5.5. Vehicles and Parking. Construction vehicles shall not damage any improvements or streets, including damage from dripping oil.
- 5.6. Restoration of Lot. Upon completion of construction, each homeowner shall clean the construction site and repair all damaged property. Repairs shall include, but shall not be limited to, restoring grades, planting shrubs and trees as approved or required by the ACC, repair of streets, driveways, pathways, drains, culverts, ditches, signs, lighting and fencing. In addition, the Owner shall be held financially responsible for the cost of site restoration/revegetation and refuse removal required on all adjacent properties because of trespass or negligence by their employees or subcontracted agents.
- 5.7. Noise and Odor. Reasonable efforts shall be made to control noise and odor emitted from construction areas.
6. **PROPER USE OF COMMON AREA.** Common Elements (sometimes also known as Common Area) may be used only for the purposes for which they were designed. No person may commit waste on the Common Elements, interfere with their proper use by others, or commit any nuisances, vandalism, or damage on or to the Common Elements.
7. **MISCELLANEOUS TERMS AND CONDITIONS.**
- 7.1. No Waiver. Failure by the Association, the Board or any person to enforce any provision of these Rules shall in no event be deemed to be a waiver of the right to do so thereafter.
- 7.2. Severable. The provisions of these Rules shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect.
- 7.3. Context. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.
- 7.4. Titles and Captions. The captions to the sections are inserted herein only as a matter of convenience and for reference, and are in no way to be construed so as to define, limit or otherwise describe the scope of these Rules or the intent of any provision hereof.
- 7.5. Definitions. Unless otherwise defined, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

- 7.6. Supplement to Law. The provisions of these Rules shall be in addition to and in supplement of the terms and provisions of the Declaration of Covenants, Conditions and Restrictions of Valley County Club Estates ("Declaration") and the law of the State of Colorado governing the community.
- 7.7. Deviations. The Board may deviate from the procedures set forth if in its sole discretion such deviation is reasonable under the circumstances.

8. **POLICIES AND PROCEDURES**

8.1. **Inspection and Copying of Association Records Policy**

8.1(a) Records Retention. The Association shall maintain the following records (collectively, "Records"):

1. Detailed records of receipts and expenditures affecting the operation and administration of the Association;
2. Records of claims for construction defects and amounts received pursuant to settlement of those claims;
3. Minutes of all meetings of the Association's unit owners and executive board, a record of all actions taken by the unit owners or executive board without a meeting, and a record of all actions taken by any committee of the executive board;
4. Written communications among, and the votes cast by, executive board members that are: (a) Directly related to an action taken by the board without a meeting pursuant to C.R.S. § 7-128-202; and (b) Directly related to an action taken by the board without a meeting pursuant to the association's bylaws;
5. The names of unit owners in a form that permits preparation of a list of the names of all unit owners and the physical mailing addresses at which the association communicates with them, showing the number of votes each unit owner is entitled to vote;
6. The Association's current declaration, covenants, bylaws, articles of incorporation, rules and regulations, responsible governance policies adopted pursuant to C.R.S. § 38-33.3-209.5, and other policies adopted by the executive board;
7. Financial statements as described in C.R.S. § 7-136-106, for the past three years and tax returns of the Association for the past seven years, to the extent available;
8. A list of the names, electronic mail addresses, and physical mailing addresses of its current executive board members and officers;

9. The Association's most recent annual report delivered to the secretary of state, if any;
10. Financial records sufficiently detailed to enable the Association to determine the amount of unpaid assessments currently levied against each Unit;
11. The Association's most recent reserve study, if any;
12. Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
13. Records of executive board or committee actions to approve or deny any requests for design or architectural approval from unit owners;
14. Ballots, proxies, and other records related to voting by unit owners for one year after the election, action, or vote to which they relate;
15. Resolutions adopted by the Association's board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
16. All written communications within the past three years to all unit owners generally as unit owners;
17. The current year's operating budget;
18. A list, by unit type, of the Association's current assessments, including both regular and special assessments;
19. Results of the Association's most recent available financial audit or review; and
20. A list of all Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.

8.1(b) Records Inspection. The Association shall make the Records available for examination and copying by a unit owner or the owner's authorized agent, subject to the following conditions:

1. Owners or their authorized agents shall submit all requests for examination or copying in writing, using the "Records Inspection Request" form approved by the Association's board of directors. The request shall describe with reasonable particularity the records sought.
2. Requests shall be provided to the Association's managing agent at least ten days prior to the intended date of inspection.
3. Properly requested Records shall be available during normal business hours on the date indicated on the Records Inspection Request form, at the Association's principal office or at the next regularly scheduled executive board meeting if the meeting occurs within thirty days after the request.

4. The Association may charge a fee to recover the estimated cost of labor and materials required for producing and reproducing the Records, and may require the fee to be paid in advance.
5. Records may be withheld from inspection and copying to the extent that they are or concern: (a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs; (b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation; (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine; (d) Disclosure of information in violation of law; (e) Records of an executive session of an executive board; or (f) Individual units other than those of the requesting owner.
6. Records are not subject to inspection and copying, and must be withheld, to the extent that they are or concern: (a) Personnel, salary, or medical records relating to specific individuals; or (b) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.
7. The person requesting Records need not state the purpose for which the records are to be used. However, no part of the Association's Records shall be used for any commercial purpose. In addition, the Association's membership information shall not be used to solicit money or property unless such money or property will be used solely to solicit the votes of the unit owners in an election to be held by the association; or sold or purchased by any person for any purpose.
8. The person requesting Records shall complete the Records Request Form attached hereto as Exhibit A and submit it to the Association's managing agent in order to begin the record inspection process.
9. In the event an inspection request will result in review and/or copying of voluminous documents, the Association may break the inspection in to several sessions to reasonably accommodate the staff at its principal office.
10. The Association has no obligation to compile or synthesize information.
11. Many documents, such as financial reports, corporate documents, budgets and meeting minutes, are posted on the Association's website and may be accessed and printed without charge.

8.1(c) E-mail Communication. Each member of the board of directors and each officer of the Association shall establish an e-mail account as the "official" e-mail address for that board member or officer, to be used solely for Association business. When conducting Association business by e-mail, board members and officers shall use only their official e-mail account.

8.2. Disputes between the Association and Owners, and from Owner to Owner.

- 8.2(a)** This policy shall apply to all disputes between the Association, its Board of Directors, any Director, or any Agent of the Association (collectively “Association”) and a Unit Owner or resident (collectively “Complainant”) except as follows:
1. Any action by the Association against a Unit Owner to collect assessments or other sums due to the Association, including foreclosure proceedings. Such actions shall proceed according to the Association’s Collection Policy.
 2. Any action by the Association to enforce any provisions of the Association’s Declarations, Bylaws, or Rules and Regulations. Such actions shall proceed according to the Association’s Covenant and Rule Enforcement Policy.
 3. ADR shall not be required if time constraints prevent accomplishing ADR or if the health, peace or safety of the community is threatened.
- 8.2(b)** Before filing any lawsuit against the Association, a Complainant must give written notice to the Board setting forth the subject of the dispute and a proposed resolution. Upon receipt of the written notification, the Board may schedule a hearing to discuss an amicable resolution of any dispute. The Board has the authority to forego a hearing if an excessive number of requests have been made by the same Complainant, if the matter has otherwise been previously addressed by the Board, or if the Board believes a hearing would not be productive.
- 8.2(c)** The Association may initiate dispute resolution under this policy by scheduling a hearing of the Board and sending written notice to a Complainant by regular, first class mail.
- 8.2(d)** Any hearing of the Board shall be conducted pursuant to the Association’s meeting policy concerning Board meetings.
- 8.2(e)** If the dispute has not been resolved after a hearing with the Board or if a Complainant has failed to attend the scheduled hearing, the parties must proceed to Alternative Dispute Resolution (“ADR”) prior to commencing any judicial or administrative proceeding.
- 8.2(f)** If the parties are unable agree on the form of ADR to be used, ADR shall be in the form of mediation with a mutually agreeable mediator.
- 8.2(g)** Any ADR must be conducted in compliance with Colorado Revised Statutes Title 13, Article 22.
- 8.2(h)** The costs of ADR shall be split equally between the parties involved in the ADR or as otherwise agreed to by the parties. In the event a Complainant fails to pay his or her portion of the cost of the ADR, such amount shall be considered an assessment against such Complainant’s Unit, and may be collected as an assessment pursuant to the Declaration of the Association and Colorado Law.

- 8.2(i)** Supplement to Law. The provisions of this resolution shall be in addition to and in supplement of the terms and provisions found in the Declaration and the law of the State of Colorado.
- 8.2(j)** Deviations. The Board may deviate from the procedures set forth in this Resolution if in the Board's sole discretion such deviation is reasonable under the circumstances.

8.3. Association Covenant and Rule Enforcement Policy.

8.3(a) Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s).

8.3(b) Complaints.

1. Complaints by Owners or residents shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.
2. Complaints by a member of the Board of Directors, a committee member, or the management company, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director, committee member, or management company's agent.

8.3(c) Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

8.3(d) Initial Warning Letter. If a violation is found to exist, a warning letter may be sent to the Violator explaining the nature of the violation. The Violator will have 15 days from the date of the letter to come into compliance.

8.3(e) Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within 15 days of the first warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second letter may then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a

violation is found to exist, a fine may be imposed pursuant to this Policy. The letter may further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that the Alleged Violator requests a hearing in writing, delivered to the Association's management company by certified or registered mail, return receipt requested, within 15 days of the date the Association sends the second violation letter.

- 8.3(f) Notice of Hearing.** If a hearing is requested by the alleged Violator, the Board, committee, or other person conducting such hearing as may be determined in the sole discretion of the Board, shall send a written notice of the date, time, location, and subject matter of the hearing to all parties involved at least 5 days prior to the hearing date.
- 8.3(g) Hearing.** At the beginning of each hearing, the presiding officer may introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. The Complainant is not required to be in attendance at the hearing. The Board may base its decision solely on the matters set forth in the Complaint, results of the investigation, and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings may be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board may, within a reasonable time, not to exceed 10 days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members or committee members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the decision absent a showing of denial of due process.
- 8.3(h) Failure to Timely Request Hearing.** If the alleged Violator fails to request a hearing within 15 days of the second letter, or fails to appear at the hearing, the Board may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.
- 8.3(i) Appeals.** The Violator may file a written appeal to the Board of Directors of any adverse decision within 14 days of the decision.
- 8.3(j) Fine Schedule.** The following fine schedule has been adopted for all recurring covenant violations:

First violation	Warning letter
Second violation (of same covenant or rule)	\$50
Third and subsequent violations (of same covenant or rule)	\$100

Third and subsequent covenant violations shall be turned over to the Association's attorney to take appropriate legal action. Any Owner committing three or more violations in a six month period (whether such violations are of the same covenant or different covenants) may be immediately turned over to the Association's attorney for appropriate legal action. In addition, the Association may request that its attorney take appropriate legal action at any time if the violation in question must be addressed promptly in order to comply with any relevant statute of limitations.

8.3(k) Continuous Violations. Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. Each day of non-compliance with such violations constitutes a separate violation. For example: the failure to remove an unapproved exterior improvement or the continuous parking in a fire lane.

8.3(l) Daily Fine. If an Owner is determined to have a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a daily fine of \$25 each day the violation is not corrected, following a notice and opportunity for a hearing as set forth above.

8.3(m) Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or Rules.

8.3(n) Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

8.4. Investment of Reserve Funds Policy.

8.4(a) Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, comply with state statutes, manage reserve funds, and protect market value of Owners' homes and livability in the

Community the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.

8.4(b) Purpose of the Reserve Fund. The Reserve Fund's purpose shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.

8.4(c) Investment of Reserve Funds. The Board of Directors of the Association shall invest funds held in the Reserve Fund accounts to generate revenue that will accrue to the Reserve Fund accounts balances pursuant to the following goals, criteria and policies, listed in order of importance:

1. Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
2. Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
3. Minimal Costs. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
4. Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
5. Return. Funds should be invested to seek the highest level of return.

8.4(d) Independent Professional Investment Assistance. The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

8.4(e) Review and Control. The Board may review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and may make prudent adjustments as needed.

8.5. Reserve Study Policy

8.5(a) Reserve Study. In order to determine funding of the Reserve Fund accounts, the Board of Directors may determine, with the assistance and advice of professionals, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing, and improving those identified areas (hereinafter referred to as a "Reserve Study").

8.5(b) Funding. The Reserve Study shall include an analysis of whether there is a funding plan for any work recommended by the reserve study, and if so, the projected sources of funding.

8.5(c) Analysis. The Reserve Study shall be based upon a physical and financial analysis.

8.5(d) Review of Reserve Study. The Board of Directors may cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, but at least once every five years to adjust and make changes in costs, inflation, and interest yield on invested funds, as well as modification, addition or deletion of components.

8.6. Conflicts of Interest Policy.

8.6(a) General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.

8.6(c) Definition. A conflict of interest exists whenever any contract, decision, or other action taken by or on behalf of the Board would financially benefit: (i) a Director; (ii) a parent, grandparent, spouse, child, or sibling of the Director; (iii) a parent or spouse of any of the persons in subsection ii; (iv) an entity in which a Director or any of the parties listed in subsections ii or iii is a director or officer or has a financial interest.

8.6(e) Disclosure of Conflict. Any conflict of interest on the part of any Director may be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the Director may participate in the discussion and may vote on the matter if allowed by applicable law. The minutes of the meeting shall reflect the disclosure made, the abstention from voting of the interested Director (if any), the composition of the quorum, and who voted for and against.

8.6(g) Periodic Review. The Association's Board of Directors shall review this Conflict of Interest Policy at least once every three years.

8.6(i) Code of Ethics. In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

1. No contributions will be made to any political parties or political candidates by the Association.
2. No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a

person who is seeking to obtain contractual or other business or financial relations with the Association.

3. No Director shall accept a gift or favor made with intent of influencing decision or action on any official matter.
4. No Director shall receive any compensation from the Association for acting as a volunteer.
5. No Director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.
6. No Director shall interfere with a contractor engaged by the Association while a contract is in progress.
7. No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.
8. No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
9. Any Director convicted of a felony shall voluntarily resign from his or her position.
10. No Director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.
11. Language and decorum at Board meetings will be kept professional.
12. No director shall seek or accept any kind of loan from the Association. Any director or officer who assents to or participate in the making of any such loan shall be liable to the Association for the amount of such loan until it has been repaid.
13. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.

8.7. Conduct of Meetings Policy.

8.7(a) Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

1. Notice for Member Meetings.

- (a) In addition to any notice required in the Bylaws, notice of any meeting of the Owners may be conspicuously posted at the entrances to the

Community at least 7 days prior to each such meeting, or as may otherwise be required by Colorado law.

- (b) The Association may also post notice on its website, if any, of all meetings. Such notice may be posted the day of the meeting or 7 days prior to such meeting.
- (c) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association, if it is capable of doing so, shall send notice of all Owner meetings to such Owner at the email address provided as soon as practicable after notice is provided pursuant to the Bylaws, but in no case less than 24 hours prior to any such meeting.

2. Conduct at Member Meetings. All Owner meetings shall be governed by the following rules of conduct and order:

- (a) The President of the Association or other designee chosen by the Board of Directors shall chair all Owner meetings.
- (b) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).
- (c) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.
- (d) Anyone wishing to speak must first be recognized by the Chair.
- (e) Only one person may speak at a time.
- (f) Each person who speaks shall first state his or her name and address.
- (g) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
- (h) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (i) Comments are to be offered in a civilized manner and without profanity, personal attacks, or shouting. Comments are to be relevant to the purpose of the meeting.
- (j) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions during any open forum or with regards to any particular agenda item. The Board may decide whether to answer questions during the meeting. Each person may only speak once during any open forum and once on any particular item on the agenda.
- (k) Yielding of time by a speaker to another individual shall not be permitted.

- (l) Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting. Additionally, if more than one person desires to speak regarding any particular issue and there are opposing views, the Chair may place reasonable limits on the number of people permitted to speak on each side of the issue.
- (m) All actions and/or decisions will require a first and second motion.
- (n) Once a vote has been taken, there will be no further discussion regarding that topic.
- (o) To allow for and encourage full discussion by Owners, no meeting may be audio, video, or otherwise recorded. Minutes of actions taken shall be kept by the Association.
- (p) Anyone disrupting the meeting, as determined by the Chair, may be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
- (q) Robert's Rules of Order may be used to supplement the rules set forth in this policy to the extent that this policy fails to address a certain situation.
- (r) The Chair may establish such additional rules of order as may be necessary from time to time.

3. Voting. All votes taken at Owner meetings shall be taken as follows:

- (a) Election of Board members shall be conducted by secret ballot, unless uncontested. When secret balloting is used, each Owner present, in person or by proxy, and entitled to vote pursuant to the Bylaws shall receive a ballot. Secret ballots shall contain no identifying information concerning the ballot holder. In the event an Owner or another person holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner or other person 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 for at least one year after the election.
- (b) All other votes taken at a meeting of the Owners may be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice, or by ballot, unless otherwise required by law. Written ballots shall be counted by a neutral third party or by a committee of volunteer Owners who are not on the Board of Directors or candidates for the Board of Directors. The Chair, during the meeting, shall specify the procedure for fairly selecting such Owners.
- (c) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor of and against any issue.

4. Proxies of Members. Proxies may be given by any Owner as allowed by C.R.S. § 7-127-203. All proxies may be reviewed by the Association's Secretary or designee as to the following:
 - (a) Validity of the signature;
 - (b) Signatory's authority to sign for the Owner;
 - (c) Authority of the Owner to vote;
 - (d) Conflicting proxies; and
 - (e) Expiration of the proxy

8.7(b) Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

1. Conduct of Board Meetings. All Board meetings shall be governed by the following rules of conduct and order:
 - (a) The President of the Association, or designee, shall chair all Board meetings.
 - (b) All persons who attend a meeting of the Board shall be required to sign in, listing their name and address.
 - (c) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate so at the time of sign in.
 - (d) Anyone desiring to speak shall first be recognized by the Chair.
 - (e) Only one person may speak at a time.
 - (f) Each person speaking shall first state his or her name and address.
 - (g) Any person who is represented by another person at the meeting, as indicated by a written instrument, shall be permitted to have such person speak for them.
 - (h) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
 - (i) Comments are to be offered in a civilized manner and without profanity, personal attacks, or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
 - (j) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue.
 - (k) Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.

- (l) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.
 - (m) Anyone disrupting the meeting, as determined by the Chair, may be asked to "come to order." Anyone who does not come to order may be requested to immediately leave the meeting.
2. Owner Input at Board Meetings. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:
- (a) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor of or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair may also announce the procedure for who may be permitted to speak if not everyone desiring to speak will be permitted to speak.
 - (b) Following Owner input, the Chair will declare owner input closed and there shall be no further owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further owner participation.

8.8. Collection of Unpaid Assessments Policy.

8.8(a) Due Dates. The annual assessment, as determined by the Association and as allowed for in the Declaration, shall be due and payable as annually invoiced to Owners. Assessments or other charges not paid in full to the Association within ten days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 10 days of the due date shall incur late fees and interest as provided below.

8.8(b) Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.

8.8(c) Late Charges on Delinquent Installments. The Association shall impose, on a monthly basis, a \$20 late charge for each Owner who fails to timely pay his/her annual assessment within 10 days of the due date. This late charge shall be a common expense assessment for each delinquent Owner. The Association shall impose interest from the date due at the rate of 21% per annum on the amount owed for each Owner who fails to timely pay their annual assessment within 10 days of the due date.

8.8(d) Personal Obligation For Late Charges. The late charge shall be the personal obligation of the Owner(s) of the Unit for which such assessment or installment is

unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration and as set forth herein for payment of assessments.

8.8(e) Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Policy, a \$20 fee or other amount deemed appropriate by the Board of Directors 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. This returned check charge shall be a common expense assessment for each Owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Unit for which payment was tendered to the Association. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of 1 year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the annual assessment is not timely made within 10 days of the due date.

8.8(f) Application of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current, if the account has been turned over to the Association's attorney. All payments received on account of any Owner, shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Policy, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

8.8(g) Collection Process.

1. After an annual assessment or other charges due to the Association becomes more than 10 days delinquent, the Association's manager may send a written notice ("First Notice") informing the Owner of the non-payment, the amount past-due, that interest and late fees have accrued, and requesting immediate payment.
2. After an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Association's manager may send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien, and request for immediate payment.

3. After an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Association's manager may turn the account over to the Association's attorney for collection and have a lien filed.
4. In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.
5. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of the annual assessment and other charges.

Due Date – (date payment due)	As annually invoiced
Past Due Payment – (date payment is late if not received on or before that date)	10 days after due date
First Notice – (notice that late charges and interest have accrued)	10 days after due date
Second Notice – (notice that late charges and interest have accrued, notice of intent to file lien)	60 days after due date
Delinquent account turned over to Association's attorney and Lien filed	90 days after due date

6. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt requested, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a the Association's manager's typical or set fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney. The statement shall be furnished within fourteen calendar days after receipt of the request and is binding upon the Association.
7. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit within the Association, the Association's manager shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
8. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may, but shall not be required to, send such notice by either registered or certified mail.
9. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested

person, appointed by the court that manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent the waste and deterioration of the property.

10. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.
11. Waivers. 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 shall determine appropriate under the circumstances.
12. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.
13. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

8.9. Policy Regarding the Adoption of Policies, Procedures, Rules, Regulations or Guidelines.

8.9(a) Policy Book. The Board of Directors may keep copies of any and all adopted policies in a book. The Board of Directors may further categorize Policies, Procedures, Rules and Regulations, Resolutions and Guidelines but shall not be required to do so.

8.9(b) Scope. The Board of Directors of the Association may, from time to time, adopt certain Policies, Procedures, Rules or Regulations as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board may, but is not required to, distribute a draft to Owners and seek their comments before adopting any Policy, Procedure, Rule or Regulation.

8.9(c) Drafting Procedure. The Board may consider the following in drafting:

1. whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy, Procedure, Rule or Regulation;
2. the need for such Policy, Procedure, Rule or Regulation, based upon the scope and importance of the issue and whether the governing documents adequately address the issue;
3. the immediate and long-term impact and implications of the Policy, Procedure, Rule or Regulation; and
4. opinions, information, or statements of its expert advisors, including legal counsel.

8.9(d) Effective Date. Any policy, procedure, or rule shall become effective on the date set forth in the policy, procedure, or rule. However, no such policy, procedure, or rule shall be applied retroactively.

8.10. Policy Regarding Signs, Displays, and Flags

- 8.10(a)** All signs will be in compliance with the following Declarations.
- 8.10(b)** These Declarations replace and supersede any previous rules.
- 8.10(c)** The American Flag maybe displayed on an owner’s property or within a window of the unit, but may not be attached to the exterior of the unit except by bracket or pole. The flag must be displayed in a manner consistent with Federal and State Codes.
- 8.10(d)** Political Signs may be displayed except to the extent restricted by city, county or state ordinance. Owners may display one sign per political office or ballot issue that is in a pending election with a maximum dimension of 36 inches by 24 inches, displayed no earlier than 45 days before the election and not longer than 7 days after the election.
- 8.10(e)** Security signs such as those for ADT or Broadband and the like may be displayed.
- 8.10(f)** Signs warning of recent fertilization, plant, tree or bush spraying may be displayed for 2 days after the application.
- 8.10(g)** Vendor signs are not allowed. If a vendor places one on a unit’s lawn, the owner is requested to remove it immediately.
- 8.10(h)** Signs of Celebration, such as a graduation, birth of a child/grandchild, or similar event are permitted to be displayed for one week.
- 8.10(i)** Questions concerning any signs may be reviewed with the Architecture committee.

The undersigned, being the President of the Association, certifies that the foregoing Rules were adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on _____, 2012, to become effective on January 1, 2013, and in witness thereof, the undersigned has subscribed his/her name.

VALLEY COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION, INC.

By: _____

President

By: _____

Secretary

EXHIBIT A

**Valley County Club Estates Homeowners Association, Inc.
Records Request Form**

ALL ITEMS MUST BE COMPLETED.
IF ANY PORTION OF THE FORM IS LEFT INCOMPLETE, YOUR ABILITY TO
REVIEW THE DOCUMENTS WILL BE DELAYED

Your Name: _____

Your Address: _____

Your Telephone Number: _____

Identify all documents you wish to review (please be as specific as possible including all dates):

Do you wish to inspect the documents during normal business hours at the offices of the Association's agent? _____

If the answer is "Yes," please indicate at what times you are available to inspect the documents and how long you anticipate such inspection*:

If the answer is "NO" please indicate how you would like to receive the documents:

_____ Mail to the following address: _____

_____ Email to the following address: _____

_____ Pick up. Please call at the following number when ready: _____

By signing below I state that I am making my request to review the records in good faith and not for any commercial purpose, and that I will use such information consistent with all applicable laws including, but not limited to, Colorado Revised Statute Sections 7-136-105 and 38-33.3-317(2)(b). I understand that I will be charged for all costs incurred in copying (at \$0.25 per page) and delivering (including postage) any documents and that I may be required to provide an advance deposit if the anticipated charges exceed \$10.00.

Signature

Date

*All requests must be made at least 10 days prior to inspection or production and are subject to coordination with the custodian of the records.