

RESOLUTIONS

COLLECTION POLICIES AND PROCEDURES

The following policies and procedures were adopted by resolution of the Board of Directors of Crystal Valley Ranch Master Association ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

A. The Colorado Legislature declared the continued economic prosperity of Colorado is dependant upon the strengthening of homeowners associations in common interest communities financially through enhancing the financial stability of associations by increasing the association's powers to collect delinquent assessments, late charges, fines, and enforcement costs. Based upon that declaration the Colorado Common Interest Ownership Act ("the Act") was adopted.

B. Pursuant to the Association's governing documents and the Act the Association, acting through the Board of Directors, is obligated to collect the assessments and other charges owed to the Association.

C. Subsection 209.5 of the Act requires the Association to adopt policies and procedures for collection of unpaid assessments.

D. Subsection 302(1)(k) of the Act provides that subject to the provisions of the declaration the association, without specific authorization in the declaration may: impose charges for late payment of assessments, recover reasonable attorney fees and other legal costs for collection of assessments regardless of whether or not suit was initiated; and, impose reasonable charges for the preparation and recording of statements of unpaid assessments.

E. Article IV Section 1 of the recorded Master Declaration Creating Covenants, Conditions, Restrictions, and Easements for Plum Creek ("Declaration") generally provides:

1. Each Owner of a Unit/Lot, by acceptance of a deed, is deemed to agree to pay the Association assessments or charges.

2. The assessment. Each monthly installment of the assessment shall be due in advance on the 1st of each month.

3. Any assessment/installment not paid within 10 days of the due date shall be subject to interest at the rate of 21 % per annum.

4. Assessments, as that term is defined in the Act, are the personal obligation of the Owner of the Unit/Lot when the assessment fell due and a charge against the Unit/Lot.

F. The Board of Directors deems it desirable to establish and operate by procedures that balance the Association's interest in the timely collection of Common Expense Assessments and other charges with the Owner's interest of being advised of any delinquent balance in their account and being treated fairly in the resolution of the delinquent account balance prior to the Association instituting legal action to collect the amount it alleges due.

G. The Board also deems it desirable to adopt and define the method in which the Association will apply partial payments on an Owner's account.

THEREFORE, IT IS RESOLVED THAT the following procedures shall apply to the Association's collection of sums alleged to be due from the Owner.

1. Due Date, Late Fees, and Interest:

Monthly installments of the Common Expense Assessment are due by the first of the month. Payments not received by the 10th day of each month are considered delinquent and the Owner's account will be subject to interest at the rate of 21 % per annum.

2. Notice of Delinquent Account:

The Association, through its agent, shall notify the owner of the delinquent payment: once after the first of the month the payment was due; and a second time within a reasonable time after the late fee and interest accrue on the account.

Notices shall be in writing and delivered to the Owner, via U.S. Mail first class postage prepaid, addressed to the property subject to the assessment obligation. The Association, upon the written request of the Owner delivered to the Association personally or by certified mail, return receipt, postage prepaid, will mail the notice of delinquency to another address as set forth in the Owner's written request.

The Association, pursuant to its right to recover legal costs of collection, shall have the right to recover its actual costs of maintaining the delinquent balance, written notice to the Owner, and other costs associated with the Owner's delinquency.

3. Collection Procedure:

In the event the alleged delinquent balance is not resolved within 30 days of the second written notice of delinquency set forth above, the Board of Directors, through the delegated agent, may refer the Owner's account to the Association's attorney for collection.

Generally the Association's attorney/agent will prepare and record a Notice of Assessment Lien against the real property subject to the assessment obligation. The Association's attorney/agent may prepare and mail a letter demanding payment of a sum equal to the alleged delinquent assessment, late fees, interest, costs of collection including attorney fees, court costs, and other legal costs incurred up to the date the letter was prepared.

If the delinquent balance is not resolved within thirty days of the letter demanding payment the Board of Directors, through its designated agent, may authorize the Association's attorney to file a lawsuit asserting claims against the Owner of property subject to the assessment obligation, an action to foreclose the Assessment Lien encumbering the real property subject to the assessment obligation, or both. The lawsuit shall claim the alleged assessment delinquency, late fees, interest, costs of collection including attorney fees, court costs, and other legal costs incurred through the date of judgment or decree.

Nothing in this policy precludes the Association from seeking the appointment of a receiver or implementing other legal and equitable methods to collect the alleged delinquent assessments, late fees, interest, costs including attorney fees.

The Board of Directors shall designate a Committee of the Board, Board Member, or the Managing Agent, to work with the Association's attorney for purposes of authorizing settlement agreements and authorizing collection efforts. The designated agent shall use diligent efforts to timely communicate with the Association's attorney with respect to changes affecting the account including, but not limited to, payments on account, additional debits on the account, bankruptcy filings, foreclosure proceedings, and conveyances.

4. Partial Payments on Account:

The Colorado Supreme Court has held that a creditor is entitled to apply payments to the Debtor's account in a manner it chooses where the Debtor does not instruct creditor otherwise. See: Westor Group, Inc. v. Hirschfeld Press, Inc., 845 P. 2nd 1162 (Colo. 1993).

Any payments of less than the full amount owed to the Association shall be applied to pay the following (if applicable) in the order listed, from oldest to most recent in each category:

- 1st to attorney fees and legal costs,
- 2nd to association's costs and other legal charges,
- 3rd to fines,
- 4th to late charges,
- 5th to interest,

6th to special assessments, and
7th to annual assessments.

The Association through its designated agent shall have the discretion to return any partial payment that directs the funds to be applied in a manner inconsistent with the Association's policy pertaining to partial payments set forth above.

5. Miscellaneous Provisions:

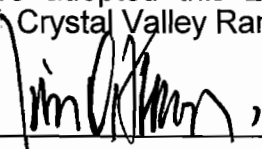
In the event the Owner intends to satisfy the entire debt to the Association by means of a restrictive endorsement of a check or money order for an amount less than the entire balance then due on the Owner's account, that check must be delivered to the Association's managing agent personally or by certified mail first class postage prepaid return receipt requested.

If a check or other instrument is tendered to the Association and the instrument is not honored by the financial institution the Association may impose a \$ 15.00 fee as a returned check fee, or pursue the statutory remedies which generally allow the Association to collect treble damages and attorney fees in the event the issuer fails to honor the instrument. The returned check fee, if charged, shall be the personal obligation of the issuer of the check as well as a lien against the real property subject to the assessment obligation.

Generally alleging a failure of the Association to maintain the Common Elements/Area or generally alleging a failure of the Association to comply with provisions of the Association's governing documents shall not constitute a defense or set-off of the lawfully imposed assessments.

In the event a Court of competent jurisdiction finds a provision of this collection policy void or otherwise unenforceable, the other provisions shall remain in full effect.

These policies and procedures were adopted this 21st day of November 2005 by resolution of the Board of Directors of Crystal Valley Ranch Master Association.



by Jim Ostenson
its President

CONFLICT POLICY

The following policy was adopted by the Board of Directors of Crystal Valley Ranch Master Association ("the Association") pursuant to Colorado law at a regular meeting of the Board

RECITALS:

- A. Pursuant to Colorado Revised Statute 38-33.3-209.5(1)(b)(II), the Association is required to adopt a policy concerning how to handle conflicts of interest involving Board Members.
- B. The executive Board has reviewed subsection 310.5 of the Colorado Common Interest Ownership Act and believes that subsection establishes a good analysis of possible conflicts of interest involving Board Members.
- C. The executive Board believes restitution of actual damages is an adequate remedy for violations of the Association's conflict of interest policy.

THEREFORE, IT IS RESOLVED:

In the event any member of the executive board or a committee thereof ("Interested Person"), the Interested Person's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business ("Related Parties") has/have a Financial Interest, as defined below, in a decision or other action for the Board's consideration, the Interested Person must declare the conflict. The declaration of conflict must be made in a portion of the board meeting open to the members of the Association prior to any discussion or action being taken.

Financial Interest shall arise if the Interested Party or Related Parties have: a) an ownership or investment interest in any entity with which the Association has, or contemplates a transaction or agreement; b) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or, c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or agreement.


Compensation shall include direct and indirect remuneration as well as gifts or favors even if insubstantial.

Although the Member of the Board, after declaring the conflict, may participate in the discussion at the meeting, that member may not vote on that issue.

A contract entered into, or action taken, in violation of this policy or Colorado Revised Statute 38-33.3-310.5 shall be void and unenforceable. Further, the Association may seek restitution for damages resulting from the member, or members, who failed to

comply with this policy or Colorado Revised Statute 38-33.3-310.5, including all costs and attorney fees incurred in obtaining said restitution.

Policy adopted this 21st day of November , 2005 by Resolution of the Board of Directors of Crystal Valley Ranch Master Association



by Jim Ostenson

its President

MEETING POLICY

The following policy was adopted by the Board of Directors of Crystal Valley Ranch Master Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

- A. Colorado Revised Statute 38-33.3-209.5(1)(b)(III) requires the Association to adopt a policy pertaining to the conduct of meetings.
- B. This policy is not intended to take the place of or invalidate provisions contained in the Association's Bylaws or the Colorado Revised Nonprofit Corporation Act: the policy is intended to incorporate provisions of Senate Bill 100 into the Association's procedures for meetings of both the Members and the board.

THEREFORE, IT IS RESOLVED:

1. Meeting of the Members

Each meeting of the Members of the Association shall be called at least once per year in accordance with the provisions of the Colorado Common Interest Ownership Act ("the Act"), if applicable, if not then in accordance with the Association's Bylaws or operative sections of the Association's other governing documents. In the event the Association's governing documents are silent with respect to a specific issue, the provisions of the Colorado Revised Nonprofit Corporation Act will control.

Notice of the meeting of the Members shall be delivered by hand or by U.S. Mail postage prepaid to each Member of the Association. The notice shall be addressed to the Member's Unit within the community unless the Member has designated another address in writing and delivered that request to the Association or its agent no less than twenty days prior to the record date applicable to that meeting of Members. The notice shall be delivered no less than 10 days, nor more than 50 days prior to the date of the meeting, and shall state the date, time, and location of the meeting as well as the items on the agenda, including matters to be approved by Members.

In addition to the delivery of the notice to the Members, the Association shall cause to be posted a notice of the meeting of the Members in a conspicuous place within the Community if feasible and practicable. If electronic means are available the Association shall provide notice to the Members via e-mail to those who request and furnish the Association with their e-mail addresses. Electronic notice of special meetings shall be given as soon as possible but at least 24 hours before meeting.

All meetings of the Members shall proceed on issues generally set forth in the notice required by Colorado Revised Statute 38-33.3-308 and in accordance with the written order of business unless a majority of Members in person or proxy vote to amend the

written order of business. In the event a written order of business has not been produced for the meeting, the following order of business shall apply:

- a) Proof of Notice of meeting. or waiver of notice of meeting
- b) Proof of Quorum at meeting
- c) Reading and acceptance of minutes from preceding meeting
- d) Reports of officers
- e) Reports of committees
- f) Election of directors
- g) Unfinished business
- h) New business
- i) Adjournment

All meetings of the Members shall be open to attendance by all Members of the Association or their duly appointed representatives. In the event the Board of Directors has the authority to suspend a Member's right to vote at the meeting, the Board must have provided that Member, with at least 15 days written notice, of the Board's intention to suspend the right to vote, and provide an opportunity for that Member to be heard, not less than five days prior to the suspension of the Member's right to vote.

Notwithstanding the status of the Member's right to vote at a meeting of the Members, each Member, or a duly appointed representative, may speak at the appropriate time during the deliberations based on the reasonable time restrictions imposed by the Board. Reasonable time restrictions shall include the requirement that a reasonable number of persons are permitted to speak on each side of an issue before a vote is called for the issue. The Chair of the meeting shall have discretion to determine the appropriate time for the Members to speak, the reasonable time restrictions imposed on the Members right to speak, and the reasonable number of persons permitted to speak of each side of the issue.

Voting for positions on the Executive Board shall be taken by secret ballot and upon the request of one or more Members, the vote on any other matter affecting the Common Interest Community on which all other Members are entitled to vote, shall be by secret ballot. Ballots shall be counted by a neutral third party or by a Member who is not a candidate. If the ballots are to be counted by a Member, that person must be selected randomly from a pool of two or more Members who are not candidates. The results of a vote by secret ballot shall be reported without reference to names, addresses, or other identifying information respective to the parties casting secret ballots.

Proxy voting shall proceed in strict compliance with Colorado Revised Statutes 7-127-203, 1-127-204, and 38-33.3-310. Further, all proxy appointments shall be delivered by hand or U.S. Mail postage prepaid to the Secretary or designated agent no later than 72 hours prior to the date and time of the Members meeting.

In the event a quorum is not present for a meeting of the Members, an officer may adjourn the meeting to be reconvened at a later date and time provided the meeting is reconvened within 30 days and the location of the reconvened meeting is announced at the meeting prior to adjournment.

2. Board Meetings

Each meeting of the Board of Directors shall be called in accordance with the provisions of the Act if applicable, if not, then with the Association's Bylaws or operative sections of the Association's governing documents. In the event the Association's governing documents are silent with respect to a specific issue, the provisions of the Colorado Revised Nonprofit Corporation Act will control.

Meetings of the Executive Board shall proceed on issues as generally set forth in the agenda. The agenda will be made reasonably available to Members or their duly appointed representatives.

Unless the Executive Board is in executive session pursuant to subsection 308 of the Act, all meetings of the Executive Board or a committee thereof are open to attendance by all Members of the Association or their duly appointed representative.

Unless a majority of the Members of the Executive Board vote to allow Members to participate in deliberation or discussion, the Members other than Members of the Executive Board, may not participate in the meeting of the Executive Board.

Notwithstanding the restriction placed on a Member's participation in a meeting of the Executive Board, Members or their duly appointed representative shall be afforded a right to speak before the Board takes formal action on an item under discussion.

The following procedure is intended to balance the Association's interest to promote the efficient administration of the Association's affairs and the Member's right to speak before the Board takes formal action on an item under discussion:

- a. Board meetings shall follow appropriate parliamentary procedure and pursuant to the Association's governing documents. This requirement shall not mandate the strict adherence to the provisions of Robert's Rules of Order, but rather facilitate the orderly administration of the business of the Association.
- b. Members may participate in the meeting only by being recognized individually by the Chair of the meeting. Generally membership participation is scheduled after the meeting is called to order and before the minutes of any prior meetings are approved.
- c. All Members attending the meeting who intend to speak in any fashion shall be required to sign the appropriate sign-in sheet for that meeting. Members shall be recognized in the order in which they sign in except

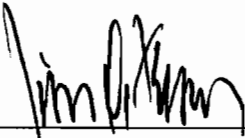
upon special permission by the Board of Directors. To the extent that Members wishes to speak to specific issues on the agenda, those Members shall designate those issues on the sign-in sheet and indicate what side of each issue that Member will speak to.

- d. Members must wait to speak until recognized by the chair of the meeting.
- e. Members must speak in a calm manner and conduct themselves with respect to all in attendance.
- f. Members make their comments within the time allotted by the Chair of the meeting.

The Chair of the meeting has the authority to enforce this policy. The failure to comply with this policy may result in the denial of the ability to speak at that meeting and may result in fines being imposed and/or the Member being removed from the meeting. These provisions may be in addition to other specific provisions outlined in the Rules and Regulations, the Declaration, Bylaws or Articles of Incorporation of the Association. The Association may at any time pursue legal remedies, including filing a court action and seeking injunctive relief, or seek assistance from other enforcement authorities.

In the event a Court of competent jurisdiction finds a provision of this Meeting Policy void or otherwise unenforceable, the other provisions shall remain in full effect.

Policy adopted this 21st day of November , 2005 by Resolution of the Board of Directors of The Crystal Valley Ranch Master Association, Inc.



by Jim Ostenson
its President

ENFORCEMENT PROCEDURE

The following enforcement procedures were adopted by resolution of the Board of Directors of Crystal Valley Ranch Master Association ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

- A. Pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5 (1)(b)(IV) the Association is required to adopt a policy concerning the enforcement of the Association's governing documents.
- B. C.R.S. 38-33.3-302(1)(k) allows the Association to levy reasonable fines for violations of the declaration, bylaws, and rules and regulations ("the Governing Documents") provided notice and an opportunity to be heard is given to the Member prior to the fine being imposed.
- C. C.R.S. 38-33.3-302(1)(d) authorizes the Association to institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Common Interest Community. In the event the Association prevails with its claim C.R.S. 38-33.3-123 allows the Association to seek reimbursement of its reasonable attorney fees and costs.
- D. For the benefit and protection of the Association and its Members, the Board deems it desirable to establish and operate by procedures to insure due process in cases where an Owner or tenant, their family Members, their guests or invitees are alleged to have violated provisions of the Governing Documents.

THEREFORE, IT IS RESOLVED:

That the following procedures shall apply to a violation of the Declaration, Bylaws, or the Rules and Regulations. However, this resolution shall not apply to those sections of the Declaration and Bylaws concerning payment and collection of assessments.

1. Informal Resolution of Violation

Any Owner, Owner's tenant, or agent of the Association may directly request that an Owner or resident cease or correct any act or omission, which appears to be in violation of the Governing Documents. It is the preference of the Board that residents of the community attempt informal resolution prior to seeking formal resolution.

In the event the perceived violation is also a violation of Federal, state, or local laws or regulations, the Board may request the complaining resident to contact the appropriate government entity to report the perceived violation.

In some cases the Association may be more reluctant to institute litigation than is the complaining Member. The Association would like this opportunity to advise the Members that any person subject to the Declaration and the Colorado Common Interest

Ownership Act may institute legal or equitable proceedings to enjoin violations of the Declaration or the Act, and if successful, the complaining party is entitled to seek reimbursement of their reasonable attorney fees and costs.

2. Mediation

The Association encourages residents of the community to mediate with their neighbors on issues that impact the party's involved but not necessarily other Members of the community. The Association intends to use mediation as a tool to address complaints alleging violations of the Association's governing documents; the decision of whether or not to employ mediation will be within the reasonable discretion of the Board of Directors.

3. Formal Resolution of the Violation

A. The Board or its agent may initiate Formal Resolution of violations upon observation of a violation, no written notice of violation is necessary

B. Residents of the Association may initiate Formal Resolution of violations by filing a written notice of violation with the Association via mail or hand delivery to its management company, in care of the Board. Said notice of violation must clearly indicate the specific nature of the violation, the date, time and location of the violation, the witnesses of the alleged violation, and the name(s) or Unit number of the violator(s). At this time, the name of the Owner(s) or resident(s) making the complaint will not be divulged to persons other than the Board of Directors and its agents.

C. If within the discretion of the Board, the written notice does not allege facts necessary to constitute a violation, the complainant will be notified in writing as to why no action was taken. The complainant may request a reconsideration of the complaint at a subsequent meeting of the Board. The complainant is required to attend this meeting.

D. If the Board, having reviewed the allegations contained in the notice believes a violation of the Association's governing documents has occurred, the accused individual, or the Owner if the accused individual is a tenant, family Member, guest, or invitee, will be notified in writing that a complaint has been made citing the nature, date, time and location of the violation. The person charged shall have twenty (20) days from the receipt of this notification to request a hearing with the Board. Failure to respond to such notification will be construed as an admission of the violation, at which point the Board may levy a reasonable fine against the Owner(s) for the alleged violation.

E. If the person charged with a violation responds requesting a hearing, a hearing shall be set and written notice of the date, time and place of hearing, together with a copy of the hearing procedures shall be provided to the accused.

F. The hearing procedures shall be as follows:

1. The Board, through its Chair, shall direct the proceedings at the hearing. The person charged, the person's representative, the other Members or residents may speak only after being recognized by the Chair.

2. The Chair will describe the specific provision of the declaration or rule or regulation, which is said to have been violated, including the date and place, or read the written complaint to the person charged.

3. The person charged shall be asked to admit or deny the charge. The person charged may speak for himself or may be represented by counsel throughout the hearing. Failure to respond or attend the hearing will be construed as an admission of the alleged violation.

4. If the charge is denied, the complaining witness or other witness having personal knowledge of the facts supporting the alleged violation shall be required to describe the details and circumstances giving rise to the violation of the Governing Documents at the hearing.

5. The person charged shall have the opportunity to confront each witness who testified against him, and offer a defense to the actions or omissions giving rise to the alleged violation of the Association's Governing Documents.

6. When all complaining witnesses have been heard, the person charged may make statements in rebuttal, and may provide witnesses in support of that position. The Chair may ask questions of each such witness in turn.

7. The Board shall have the opportunity to question any witness or involved parties if it so desires.

8. At the conclusion of the hearing, the Board shall discuss the statements and vote whether or not the person charged violated the provisions of the Association's Governing Documents. A majority vote shall control. The result of the vote shall be recorded in the minutes of the meeting, and announced to the person charged and the party or parties who filed the Complaint.

9. If the Board levies a fine, the Board shall provide written notice to the Owner of the fine and the date payment of the fine is due. In the event the Owner fails to pay the fine consistent with the notification, appropriate legal action may be initiated by the Board of Directors to collect the fine.

10. The Board of Directors must use reasonable discretion in levying fines in accordance with the severity of the violation. The following is a schedule of the presumptive fine range for ordinary violations of the Governing Documents:

First Violation	a warning letter
Second Violation	up to \$25.00

Third Violation	up to \$50.00
Fourth and Subsequent	Up to \$100.00

4. Miscellaneous Provisions:

Person charged shall include the Owner of real property subject to the Association's Governing Documents whether it is a natural person or a legal entity.

Continuing violations shall constitute a separate violation for each 24-hour period the violation exists.

Fines for violations of the governing documents will be imposed against the Owner and the real property subject to the Declaration.

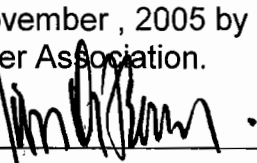
Any and all money collected from such fines may be deposited in the Association's general operating fund.

In the event the violation is of a continuing nature or if the violation constitutes a threat to the health, safety, or welfare of the residents or the property within the community, the Association acting through the Board of Directors may institute an action in a court of competent jurisdiction seeking injunctive relief to abate the violation without proceeding through procedures set forth in 3(D), 3(E), or 3(F) above. Nothing in this paragraph constitutes an election of remedies nor precludes the Board from levying fines as set forth above while at the same time seeking injunctive relief for violations of a continuing nature or violations that affect the health, safety, or welfare of the residents or the property.

In the event it is determined the Association was the prevailing party in the suit the Association shall be entitled to seek reimbursement of its costs including reasonable attorney fees, court costs, and other legal costs; conversely, if it is determined the Owner was the prevailing party, the Owner shall be entitled to reimbursement of the same expenses and costs.

In the event a Court of competent jurisdiction finds a provision of this Enforcement Policy void or otherwise unenforceable, the other provisions shall remain in full effect.

Procedure adopted this 21st day of November, 2005 by Resolution of the Board of Directors of Crystal Valley Ranch Master Association.



by Jim Ostenson

its President

Notice of Violation

Date: _____

Your Name: _____

Your Address: _____

Your Telephone Number: _____

Your E-mail address: _____

Information regarding incident(s): (Please include as much information as possible.)

Name of person committing the alleged violation: _____

Address of person committing the alleged violation: _____

Date(s) of alleged incident(s): _____

Please describe the incident(s) in as much detail as possible (use additional sheet(s) if necessary):

What statutes, covenants, or other rules were violated (please identify specific sections):

Did anyone else witness these incidents: _____

If the answer is "Yes," please state the witnesses' names, addresses and telephone numbers: _____

Please sign below:

Date

Please send completed form to:

**Crystal Valley Ranch Master Association
P.O. Box 124
Castle Rock CO 80104**

Notice of Complaint

Date: _____

Name: _____

Address: _____

City/State/Zip: _____

Re: Alleged Violation

Dear _____:

The following information has been brought to the attention of the Board of Directors:

Information regarding alleged incident(s)

Date(s) of alleged incident(s):

If true, the alleged incident(s) violate the following statutes, covenants, bylaws, rules, regulations, policies, or procedures (include citations to specific provisions):

Pursuant to Colorado Revised Statute 38-33.3-302(1)(k) and the Associations policies this letter shall serve as written notice of the alleged violation of the provisions mentioned above. Violation(s) of the/these provision(s) may subject the Owner of real property within the community to fines which may also result in a lien against the real property subject to Colorado Revised Statute 38-33.3-316.

This letter shall also serve to allow you an opportunity to be heard with regard to the alleged violation(s) prior to the Board considering fines for the alleged violation(s).

In order to be heard by the Board of Directors you must respond to this notice of Complaint within 30 days of the date of this Notice of Complaint by completing, signing, and returning this form as set forth below.

The information regarding the alleged incident(s) is not accurate or the alleged incident(s) should not be a violation of the cited authority because:

(Use additional sheets of paper if necessary)

Please sign below:

Date

Please send completed form to:

**Crystal Valley Ranch Master Association
P.O. Box 124
Castle Rock CO 80104**

You will be contacted in writing to be advised of the date, time, and location for the hearing, or in the alternative that no hearing is necessary and no fine will be imposed.

RECORDS INSPECTION POLICY

The following record inspection policy was adopted by resolution of the Board of Directors of Crystal Valley Ranch Master Association ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

- A. Colorado Revised Statute 38-33.3-209.5(1)(b)(v) provides that the Association shall adopt a policy for Members to inspect and copy the Association's records.
- B. The intent of this policy is to generally define the types of records the Association maintains, define the costs of copies, and provide a general procedure for the Members to inspect and copy records; it is not the intent to limit Members statutory remedies for record inspection.

THEREFORE, IT IS RESOLVED THAT:

The following policy shall apply to the inspection and copying of the Association's records:

1. Types of Records

The Association's Statutory Records shall consist of:

- a. Financial records sufficiently detailed to enable the Association to establish the amount of unpaid assessments, late fees, interest, fines and other legal charges for each Unit/Lot subject to the Declaration;
- b. Minutes of meetings of the membership and minutes of meetings of the Board and committees of the Board as well as records of all actions taken by the Unit owners or the Board by written ballot or written consent in lieu of a meeting and any waivers of notice of meetings of the Unit owners, the executive Board or committees of the executive Board; and
- c. Records of the name and address of each Unit Owner within the Community as well as each Unit owners voting power as established by the Declaration.

In addition to the Statutory Records, the Association shall maintain a copy of each of the following at its principal office:

- d. Articles of Incorporation;
- e. Bylaws;
- f. Declaration including Covenants;
- g. Policies, procedures, and rules and regulations;

- h. Resolutions adopted by the executive Board relating to the characteristics, qualifications, rights, limitations, and objections of Unit Owners of the Common Interest Community;
- i. Minutes of all Unit Owner's meetings, and records of all actions taken by the Unit Owners without a meeting, for the past three years.
- j. All written communication within the past three years to Unit Owners generally as Members;
- k. A list of the names and business or home addresses of its current directors and officers; and
- l. A copy of its most recent annual report and financial statements, audits and review for periods ending during the last three years.

2. Inspection Request

A Unit Owner, or a duly appointed representative, is entitled to inspect and copy the Association's records during regular business hours at the Association's principal office provided the Unit Owner delivers written notice to the Association at least five business days prior to the date the Unit Owner expects to inspect and copy the records. Further, if the Unit Owner seeks to inspect or copy the Statutory Records, the Unit Owner must:

- a. describe with reasonable particularity the records the Unit Owner wants to review; and
- b. describe with reasonable particularity the purpose the Unit Owner has to want to review the statutory records.

3. Approval to Inspect Records

It is within the reasonable discretion of the Board of Directors, or an agent designated by the Board, to determine if the Unit Owner's written notice to inspect the Association's records is made in good faith and for a proper purpose. In determining whether records may be inspected, or copied, the Board or its agent shall consider among other things:

- a. Whether the written notice is made, in good faith, to ascertain the condition of the Association;
- b. Whether the inspection is for an illegal, or improper purpose, or for a purpose other than that stated in the written notice;
- c. Whether the Unit Owner or the representative has improperly used information secured through a previous inspection of records;
- d. Whether disclosure would violate a constitutional provision, a statutory provision, a Court Order, or public policy;

- e. Whether disclosure may result in an invasion of personal privacy, breach of confidence or privileged information;
- f. Whether disclosure would unreasonably interfere with or improperly disrupt the operation of the Association; and
- g. Whether inspection results in private harm or damage that outweighs the right to access.

In the event the Board, or its agent, determines the Unit Owner's request is not consistent with the standards set forth above, or is not specific with respect to the particular records requested or the particular purpose for which the records are requested, the Unit Owner shall be given written notice of the defects of his written request as soon as practical.

4. Limitations on the use of the Association's Records

Without the consent of the Board of Directors, a membership list or any part thereof may not be obtained or used by any person:

- a. For any purpose unrelated to a unit owner's interest as a unit owner;
- b. 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;
- c. For any commercial purpose;
- d. To be sold to or purchased by any person or entity; or

The Association may pursue actions for damages or injunctive relief or both for any violation of the limitations set forth above, and seek reimbursement of all costs, including attorney fees and costs.

5. Miscellaneous Provisions

The Unit Owner's request should be made on the Association's Notice of Intent to Inspect and Copy Association Records form, but in any event, the request to inspect and copy the statutory records must be made in good faith for a purpose and the records requested must directly relate to the particular purpose described as well as the Unit Owner's interest.

The Association may charge a fee in advance for the estimated amount to copy the records not to exceed the Association's actual cost per page, including services to prepare the records for review, to oversee the Owner's inspection, and to prepare the requested copies of the Association's records. In the event a Unit Owner's request will

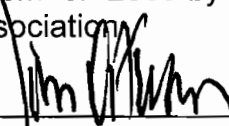
result in review and/or copying of voluminous documents, the Association may break the inspection into several sessions to reasonably accommodate the staff at its principal office.

Absent a court order from a Court of competent jurisdiction, the Unit Owner shall not be authorized to inspect or copy any confidential communication including but not limited to: a) documents subject to the attorney/client privilege; b) documents subject to privilege imposed by Federal or state law, or by court order; and c) documents that contain information that if disclosed would constitute an invasion of personal privacy (examples include, but are not limited to social security numbers, medical evaluations, employment information, personal bank account or personal financial information).

Careful scrutiny will be employed by the Board for requests to review records pertaining to other Unit Owners' accounts with the Association.

In the event a Court of competent jurisdiction finds a provision of this Records Inspection Policy void or otherwise unenforceable, the other provisions shall remain in full effect.

Policy adopted this 21st day of November 2005 by Resolution of the Board of Directors of Crystal Valley Ranch Master Association



by Jim Ostenson

its President

NOTICE OF INTENT INSPECT ASSOCIATION RECORDS

This Notice of Intent to Inspect Association Records shall be completed pursuant to the Resolution, Records Policy for Inspection of Records, adopted by the Board of Directors of Seller Creek Ranch Owners Association on November 21st, 2005.

Date of this Request: _____, 200__

Date you or your agent intends to review the records: _____, 200__

Person(s) requesting the review of the Association's records: _____

Person(s) who will be present for the review of the Association's records: _____

Please note that all actual costs of inspection and any authorized copies must be paid in advance by the person requesting them.

Specify with particularity the records requested for this review. Please include type of record, date of record, any specifics that will identify the information you seek to review.

<u>Record</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

Please indicate those records for which you request copies.

<u>Record</u>	<u>Date</u>
_____	_____
_____	_____

Please state with particularity the purpose you wish to review each of the records described above including how that purpose relates to your interest as a member of the Association. Attach an additional sheet if additional space is necessary.

Name: _____
Date: _____
Address: _____
Authorized by: _____

RESERVE POLICY

The following policy was adopted by the Board of Directors of Crystal Valley Ranch Master Association ("the Association") pursuant to Colorado law at a regular meeting of the Board

RECITALS:

- A. Colorado Revised Statute ("C.R.S.") 38-33.3-209.5(1)(b)(vi) provides that Colorado Common Interest Communities shall adopt a policy concerning investment of reserve funds.
- B. C.R.S. 38-33.3-303(2)(b) provides that Members elected to the executive Board by the Unit Owners will be liable for wanton or willful actions or omissions.
- C. C.R.S. 7-128-401(2)(b) allows the Members of the Board of Directors to rely on information, opinions, or statements if presented by legal counsel, public accountant or other person as to matters the Board reasonably believes are within such persons expert competence in discharging their duties.
- D. The Colorado Courts have applied the Business Judgment Rule in their review of actions taken by Boards of Colorado nonprofit corporations.
- E. Without waiving the statutory duty of care applicable to Members of the Executive Board elected by Unit Owners, other than the Declarant, the Board would like to implement elements of the Business Judgment Rule with respect to the investment of the Association's reserve funds.

THEREFORE, IT IS RESOLVED:

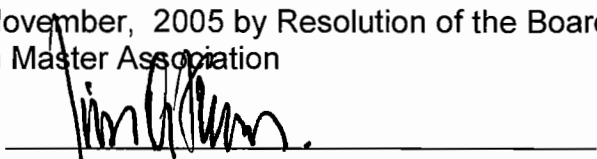
The Association, acting through the Board of Directors, shall exercise business judgment in the investment of funds designated as reserve funds.

1. The Board of Directors shall reasonably investigate the options available for investment of some or all the reserve funds; emphasis will be placed on the preservation of principal.
2. The Board of Directors shall discuss the results of the investigation and the options for investment which meet the Association's goals for safety and income potential.
3. In the event the Board lacks experience in the investment options being considered to evaluate the safety and income potential, the Board may consider the opinions of its legal counsel, its public accountant, or other person the Board Members reasonable believe are within that persons expert competence, provided that other

person will not directly benefit from the investment or that person is insured against errors and omissions.

4. Upon the conclusion of the investigation, the discussion, and the opinions of experts (if necessary) the Board of Directors shall vote on how the reserve funds will be invested or reinvested, each Member of the Board should vote in what they believe is the best interest of the Association and a majority vote of the quorum shall control.

Policy adopted this 21st day of November, 2005 by Resolution of the Board of Directors of Crystal Valley Ranch Master Association

A handwritten signature in black ink, appearing to read "Jim Ostenson", is written over a horizontal line. The signature is somewhat stylized and cursive.

by Jim Ostenson

its President

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

The following procedures were adopted by the Board of Directors of Crystal Valley Ranch Master Association ("the Association") pursuant to Colorado law at a regular meeting of the Board

RECITALS:

- A. Colorado Revised Statute ("C.R.S.") 38-33.3-209.5(1)(b)(vii) requires the Association to adopt procedures for the adoption and amendment of policies, procedures, and rules.
- B. C.R.S. 38-33.3-302(1)(a) authorizes the Association to adopt and amend Bylaws, Rules, and Regulations.
- C. Article VII of the Association's Articles of Incorporation authorizes the Board of Directors to administer the affairs of the Association.

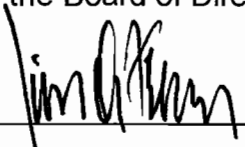
THEREFORE, IT IS RESOLVED THAT the following procedures shall apply to the Association's policy, procedure and rule making authority:

- 1. The Board of Directors in its sole discretion shall determine if there is an issue affecting the Community for which a policy, procedure, or rule would be beneficial.
- 2. The Board will investigate and discuss the reasonable approaches to address the issue affecting the Community.
- 3. Pursuant to C.R.S. 7-128-401(2)(b), the Board may rely on opinions, information, or statements of its experts in investigating reasonable approaches to address the issue(s) affecting the Community.
- 4. For purposes of this procedure, the Board will take reasonable steps to avoid adopting a policy, procedure, or rule that is contrary to Federal, State, or local law or the Association's Articles of Incorporation, Bylaws, or Declaration, as well as exercising reasonable care to balance the Association's interests with the interests of the individual Members of the Community.
- 5. Once the Board has investigated the issue and discussed the reasonable approaches to address the issue, the Board may, but is not obligated to, provide notice to the Members of the issue and the proposal(s) to address the issue by policy, procedure, or rule. The Board may seek the comment of the Members prior to voting on which approach will be implemented.

6. The Board having determined an issue affects the community for which a policy, procedure, or rule would be beneficial, and discussed reasonable approaches to address the issue, may adopt such policy, procedure, or rule in the discretion of the Board, by Resolution.

7. The policy, procedure, or rule shall become effective 10 days after the policy, procedure, or rule is published to the Members via U.S. Mail, postage prepaid, addressed to the property within the Community unless the Member requests the Association to use another address in writing.

Procedure adopted by Resolution of the Board of Directors of Crystal Ranch Master Association.



by Jim Ostenson

its President