DECLARATION OF PROTECTIVE COVENANTS

FOR DOS RIOS UNIT 3

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Plans and specifications for such building or structure.

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

4. Grading plan, access and parking facilities.

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

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

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

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

6. BUILDING LOCATION AND CONSTRUCTION.

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

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

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

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

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

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

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

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

3. Earth colors shall predominate.

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

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

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

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

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

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

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

8. ANIMALS.

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

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

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

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

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

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

Plat Map

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Reserved for future use.

Don Lee Mundell
Signature

Nancy Sue Sherman-Mundell
Signature

Lot No. 20

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

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

WITNESS my hand and official seal.

My commission expires:

Jennifer Almgren
Notary Public

NOTARY PUBLIC
JENNIFER ALMGREN
STATE OF COLORADO
My Commission Expires 8-1-07

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

COLLECTION POLICY

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

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

1. Assessments. For purposes of this Policy, "assessments" or "regular assessments" include regular and special assessments and any associated fees, charges, late charges, attorney's fees, fines and interest. Assessments shall be paid in equal monthly, quarterly, bi-annual or annual installments, as determined by the Association Board, on or before the last day of the month during which such assessment is due. If an assessment is not paid by the last day of the month during which the assessment is due, the assessment is delinquent.

2. Late Fees & Interest. If the full amount of any assessment is not received by the Association's managing agent by the last day of the month in which the assessment is due, the assessment shall be considered delinquent. At such time, a late charge of $25 shall be assessed to the delinquent account. Delinquent assessments shall also bear interest at the rate of one percent (1%) per annum from the date of delinquency until paid in full. The Association may also charge a $25 fee for any bounced or returned check.

3. Prior to Referral to Legal Counsel. Prior to referring a delinquent account to the Association's legal counsel or to a collection agency, the Association shall mail to the delinquent unit owner, managing agent, a notice of the delinquency that specifies:

    a. The total amount due with an accounting of how the total was determined;

    b. Whether the opportunity to enter into a payment plan exists pursuant to Section 4 below, and instructions for contacting the Association to enter into a payment plan;

    c. The name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt; and

d. That action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the following:

i. The delinquent account being turned over to an attorney or a collection agency for collection;

ii. A lawsuit being filed against the owner;

iii. The filing and foreclosure of a lien against the unit owner's property;

iv. The Association applying for a court-ordered receivership over the property; and/or

v. Any other remedies available under Colorado law.

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

4. Payment Plans.

a. *Eligibility*. A unit owner is entitled to enter into a payment plan with the Association so long as the unit owner has not previously entered into a payment plan pursuant to this collection Policy. If a unit owner has previously entered into a payment plan with the Association pursuant to this Collection Policy, the Association may immediately pursue any legal remedies for collection of further delinquent assessments, or may, in its discretion, offer to allow the unit owner to enter into another payment plan. If the Association offers to allow the unit owner to enter into another payment plan, said plan shall not be subject to the requirements of Paragraph 4 b. below.

b. *Terms*. Any required payment plan shall be offered in writing by the Association to the unit owner and shall permit the unit owner to pay off the delinquency in equal installments over a period of at least six (6) months. The six (6) month timeframe shall commence as of the date when the notice letter contemplated by Section 3 above is mailed to the unit owner. The six (6) month offer by the Association to the unit owner is deemed to be the agreement among and between the unit owner and the Association, unless otherwise agreed in writing by both parties. The unit owner must also remain current with regular assessments as they come due during the payment plan time period. A unit owner's failure to remit payment

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

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

   a. Attorney's fees and legal costs and expenses;

   b. Fines, late charges and interest;

   c. Returned check charges and other costs owing or incurred with respect to such owner; and

   d. Assessments due or to become due with application to the most long-standing delinquent assessment first.

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

   a. A lawsuit by the Association against the delinquent owner;

   b. The filing and foreclosure of a lien against the unit owner's property, but only if:

      i. The balance of the assessments and charges secured by the lien equals or exceeds six (6) months of common expense assessments based on a periodic budget adopted by the Association related to the subject unit; and

      ii. The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. The Executive Board may not delegate its duty to act under this subsection to any attorney, insurer, manager, or other person, and any legal action filed without evidence of the recorded vote authorizing the action must be dismissed.

c. Referral of the delinquent account to the Association's attorney or a collection agency; and/or

d. The Association may apply to be the court-appointed receiver of the subject unit.

7. Exceptions. This Collection Policy does not apply if the unit owner does not occupy the unit and has acquired the unit as a result of:

   a. A default of a security interest encumbering the unit; or

   b. Foreclosure of an Association lien.

8. Conflict of Laws. In the event of a conflict between this Collection Policy and the Association's Declaration, Bylaws, or any other policy, rule or regulation of the Association, the Collection Policy shall control.

CERTIFICATION

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

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

By: _____
Jennifer Barvitski, Secretary

EXHIBIT A

(INSERT DATE

SENT VIA CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Unit Owner

_____

_____

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

Dear Unit Owner:

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

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

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

Your attention to this matter is encouraged.

Sincerely,

Association Secretary

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

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

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

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

EFFECTIVE DATE: January 29 2014

RESOLUTION: The Association hereby adopts the following policy:

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

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

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

or both.

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

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: _____
Rob Strickland, President

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

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

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

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

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

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

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

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

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

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

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

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

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

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

AUTHORITY: Colorado Law

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

1) All policies, procedures, rules and regulations of the Dos Rios III Homeowners Association, Inc. shall be set forth in written resolutions of The Association adopted by the Board of Directors.

2) Amendment of any policies, procedures, rules and regulations may be made by the Board of Directors at any time and from time to time as the Board, in its discretion deems advisable or appropriate. Any amendment shall be set forth in a written resolution of the Association Board of Directors.

3) To the extent practicable, the Association will endeavor to adopt and disseminate to membership written policies, procedures, and rules and regulations so that members will be more informed of their rights and obligations in the subdivision and the process of subdivision governance by the Board. Additionally, it is the policy of the Dos Rios III Homeowners Association, Inc. that to the extent practicable, policies, procedures, rules and regulations be consistently and uniformly followed and enforced.

4) New or amended policies, procedures, rules and regulations shall be adopted by the Board as the interests of the Association dictate.

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

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

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: _____
Rob Strickland, President

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

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

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

AUTHORITY: Colorado Law

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

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

All financial and other records will be made reasonably available for examination and copying by any member and such owner's authorized agents. The Association may charge a fee, which may be collected in advance, not to exceed the Association's actual cost per page, for copies of Association's records. As used in this Resolution, "reasonably available" means available during normal business hours, upon advance notice of 5 business days, or at the next regularly scheduled meeting if such meeting occurs within 30 days after the request, to the extent that:
a) the request is made in good faith and for a proper purpose;
b) the request describes with reasonable particularity the records sought and the purpose of the request; and
c) the records are relevant to the purpose of the request.

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

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

Notwithstanding anything contained herein to the contrary, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a lot owner without consent of the Board of Directors. A membership list or any part thereof may not be used to solicit money or property unless such money or property will be used solely to solicit the votes of members in an election to be held by the Association, and may not be used for any commercial purpose, or sold to or purchased by any person.

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

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: _____
Rob Strickland, President

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

SUBJECT: Adoption of standards for investment of reserve funds.

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

AUTHORITY: Colorado Law

EFFECTIVE DATE: January 29, 2014

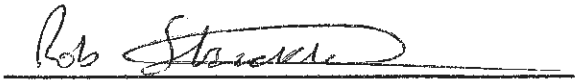
RESOLUTION: The Association hereby adopts the following policy:

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

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

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: 

Rob Strickland, President

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

SUBJECT: Adoption of a policy regarding conduct of meetings.

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

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

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

All meetings of either the membership or board of directors of the Association will be held in accordance with the requirements of C.R.S. §38-33.3-308, 38-33.3-310 and 7-127-101 through108, 7-128-201 through 206.

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

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

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

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

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

When secret ballots are used, written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not board members, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the chairman of the Board of Directors or another person presiding during that portion of the meeting.

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

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: _____
Rob Strickland, President

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

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

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

AUTHORITY: Colorado law

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

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

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

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

No loans shall be made by the Association to its board members or officers. Any board member or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

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

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

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

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: _____
Rob Strickland, President

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

SUBJECT: Adoption of a procedure regarding alternative dispute resolution.

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

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

EFFECTIVE DATE: January 29, 2014

RESOLUTION: The Association hereby adopts the following policy:

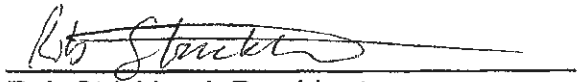
In the event of any dispute involving the Association and an owner the owner is invited and encouraged to meet with the Board of Directors to resolve the dispute informally and without the need for litigation. If the owner requests to meet with the Board, the Board shall make a reasonable effort to comply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

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

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

In witness whereof, the undersigned has subscribed his name.

Dos Rios III Homeowners Association, Inc.

By: 

Rob Strickland, President