

**ASSESSMENT AND ENFORCEMENT POLICY
MISSOURI RIVER AND EAGLE CANYON RANCHES
LANDOWNERS CORPORATION**

ARTICLE I. PURPOSE

This Assessment and Enforcement Policy is designed to ensure that the Missouri River and Eagle Canyon Ranches Corporation (“Corporation”) is able to collect assessments and enforce covenants as required by the Bylaws of the Corporation. Because certain classes of Members are transitory, the Board of Directors of the Corporation is frequently unable to collect assessments owed to the Corporation or take covenant enforcement action upon Members who no longer have a financial or legal interest in the subject property. These circumstances prohibit the Board of Directors from carrying out its fiduciary duties as defined in the Bylaws of the Corporation.

ARTICLE II. DEFINITIONS

- 1. “Class A Member”** A Class A member are those persons or entities who hold a warranty deed for one or more lots in the Subdivisions.
- 2. “Class B Member”** A Class B member are those persons or entities that have entered into a contract for deed with Montana Recreational Properties, Inc. to purchase one or more lots in the Subdivisions, but to whom a warranty deed has not been delivered.
- 3. “Assessments”** Assessments are annual or special assessments which are established by the Board of Directors to fulfill the fiduciary responsibilities of the Board of Directors, as required in the Corporation’s Bylaws.
- 4. “Covenant Enforcement”** Covenant enforcement is any lawful action taken by the Board of Directors to enforce the legal covenants applicable to the Subdivisions. The method of enforcement may include, but is not limited to, a legal action to enjoin the violation, recover damages, or both.
- 5. “Assessment Collection”** Assessment Collection is any action taken by the Board of Directors to collect assessments that are delinquent or in arrears. The method of collection may include, but is not limited to, filing and foreclosing upon a lien against the property of the delinquent Landowner.
- 6. “Landowner”** Landowner is any person or entity that holds a warranty deed to one or more lots in the Subdivisions, including those Landowners who hold the warranty deed to those lots subject to a contract for deed.

ARTICLE III. POLICY DECLARATION

The Board of Directors has determined that the Corporation can only hold Members holding warranty deeds to the lots of which they are on record for, legally and financially responsible for payment of annual assessments and for correction of covenant violations.

The Board of Directors therefore adopts a policy that it will only institute and levy Assessments to the Landowners. Moreover, the Board of Directors will only hold Landowners legally responsible for mitigation of covenant violations.

ARTICLE IV. PROCEDURES

1. Assessment Collection. If the delinquent Assessments are for a Class B Member, the Board of Directors will notify both the Landowner and the purchaser of the delinquent Assessments. If the delinquent Assessments are not paid in full within 30 days of the delinquency notice or placed under a payment plan approved by the Board of Directors, the Board of Directors will then file a lien on the lot(s) in delinquency. If after 60 days of the lien filing, the delinquent Assessments are not paid in full, or placed under a payment plan approved by the Board of Directors, the Board of Directors will then file for foreclosure on the lot(s) in delinquency.

If the delinquent Assessments are for a Class A Member, the Board of Directors will notify the warranty deed holder of the delinquent Assessments. If the delinquent Assessments are not paid in full within 30 days of the delinquency notice, or placed under a payment plan approved by the Board of Directors, the Board of Directors will then file a lien on the lot(s) in delinquency. If after 60 days of the lien filing, the delinquent Assessments are not paid in full or placed under a payment plan approved by the Board of Directors, the Board of Directors will then file for foreclosure on the lot(s) in delinquency.

2. Covenant Enforcement. If the covenant violation is for a Class B Member, the Board of Directors will notify both the Landowner and the purchaser of the covenant violation. If the covenant violation is not mitigated within the timeframe specified in the notice of the covenant violation, the Board of Directors will file legal action against the Landowner to enjoin the violation, recover damages, or both.

If the covenant violation is for a Class A Member, the Board of Directors will notify the warranty deed holder of the covenant violation. If the covenant violation is not mitigated within the timeframe specified in the notice of the covenant violation, the Board of Directors will file legal action, against the Landowner, to enjoin the violation, recover damages, or both.

3. Time Variances. The Board of Directors, at its discretion, may extend the time periods for covenant violation mitigation under the following circumstance: when a Landowner is making a good faith effort to mitigate the violation(s); the mitigation process would reasonably take longer than the time allowed; or for other legitimate circumstances deemed reasonable by the Board of Directors.

4. Opportunity to be Heard. The Board of Directors will offer the Landowner in violation of the covenants the opportunity to present their reasoning for the violation before the Board of Directors prior to the filing a legal action or undertaking any other action to enforce the covenants applicable to the Subdivisions. Adequate notice of this opportunity to be heard will be provided to the Landowner.

ARTICLE V. PERIODIC REVIEW

This policy is an ongoing policy without expiration date. This policy may be changed, modified, amended or rescinded by the Board of Directors upon a majority vote, at any regularly scheduled Board of Directors meeting.

ARTICLE VI. POLICY ADOPTION

This policy was adopted by the Board of Directors:

On this 13th day of November, 2019

This policy was reaffirmed by the Board of Directors:

On this 10th day of June, 2020