

THE HOMESTEAD AT RIFLE
HOMEOWNERS ASSOC., INC.

NOTICE OF ANNUAL MEETING-2014

The annual meeting of THE HOMESTEAD AT RIFLE HOMEOWNERS ASSOCIATION, INC., will be held at **7:00 P.M on Tuesday, March 18, 2014 at RE-2 SCHOOL ADMINISTRATION BUILDING, Rm. TBD, 839 RAILROAD AVE., Rifle, CO. Meeting room is on lower level, access is from parking lot on west side of bldg.. off of East Ave.**

AGENDA:

- I. Introductions, approval of Minutes of 2013 Annual Member meeting.

- II. Review of 2013 Financial Reports and 2014 Budget.

- III. Election of Directors:
Members Elect 4 Directors; Jay Miller is the designated Board Member from Homestead Highlands, not subject to election by this meeting.
Nominations to date: Present Board Members have agreed to serve another 1 year term: John Savage, Jeff Williams, Bud Saunders and Natalie Wilson.
Additional nominations will be accepted at the meeting.

- IV. Committees Reports:

Maintenance: **Peaceful Valley, the landscape maintenance contractor for the last several years has notified the Association that they will no longer be doing mowing. A Request for Proposals was posted on Craig's List, put in the classified Ads in the Telegram and Glenwood Post and mailed to know interested parties. Seven proposals were received. Contract award will be announced at the meeting.**

Architectural Review: No activity in 2013

Covenant Compliance:
Should we increase budget to provide resources for more active covenant compliance enforcement (weeds, landscaping maintenance etc.
Any members interested in this issue are encouraged to attend this meeting and be heard.

- V. Old Business.

A. WINTER MAINTENANCE: **The suggestion was made at the last Board meeting that assessments be increased to provide for sidewalk snow plowing, snow and ice removal around community mail boxes and on some of the curves where city plowed snow plugs gutters and runoff ices up on sidewalks.**

VI. New Business:

VII. Adjournment.

NOTE: Meeting documents will be posted to http://www.neighborhoodlink.com/The_Homestead
Contact office (970-625-1470, savagejw@msn.com) if you want documents mailed or
emailed separately.

MINUTES
BOARD OF DIRECTORS
HOMESTEAD AT RIFLE PUD HOA
Monday, 6:00 P.M., February 10, 2014; 201 Railroad Ave, Rifle, CO

I. Call meeting to order. **Present were: John Savage, Jay Miller, Jeff Williams, Bud Sanders, Natalie Wilson and Harry Kissell as observer.**

II. Review of Minutes of previous Meeting: **Minutes of the 2/4/2013 Board meeting reviewed and approved as presented. Minutes of Annual Meeting of 3/19/13 presented for info only.**

III. Financial Reports:

A. Income and Expense and Balance Sheet 2013 Year end and detail, 2014 YTD. **Bud questioned the amount of expenditures for Pet Stations. JWS explained that it included two new stations and a double bag order.**

B. Assessment Delinquencies: **Collection report reviewed, no comment. JWS noted that new rules for collections were in effect and will be adopted later in the meeting.**

C. 2014 Draft Budget: **Budget reviewed and approved for recommendation to Members. Bud suggested we consider raising HOA Assessment to provide better winter maintenance of sidewalks and more active covenant compliance re landscape maintenance and lot upkeep and housekeeping.**

III. Old Business:

A. Winter maintenance **Bud suggested that the Association should be doing more: 1) Sidewalk snow removal; snow removal and ice control around post office boxes; snow and ice control on several corners where city plowing plugs up gutters and snow melt runs over sidewalks and freezes, causing pedestrian hazard. Pres. directed to obtain cost estimates.**

C. ENTRY SIGN LIGHTING: **Both lights reported to be working, one covered w/ snow**

D. 1397 Firethorn: **Problems resolved fall of 2013, need to inspect spring 2014.**

E. Tamarisk Control: **JWS reported several bushes re-sprouted in private open space, to be addressed in spring.**

F. Pet Stations: **Substantial discussion re extra expense in 2013, JWS to send details and investigate ways to reduce costs. Jeff Williams offered to maintain year round. JWS advised Jeff to submit a proposal by March 3.**

G. Covenant Enforcement: **Bud said the HOA should do more about covenant enforcement, landscape maintenance etc. Board discussed past efforts in this regard the inability to get a sub-committee constituted to work on the issue. Bud proposed that the Board take a more active position. Matter to be submitted to the Annual Member meeting.**

President directed to include a letter to members citing Declaration requirements for landscaping maintenance and potential for more active enforcement in the Annual meeting to members.

H. Collections: **No report**

I. Web Site Development: **JWS reported that website is up and running, as a free site, may decide to upgrade to a pay site.**

J. HOA Registration: **Done**

K. Electric Bill: **JWS reported accounting problem resolved. HOA pays bill for Ag Open space and then bills WSJ, LLC.**

L. **The status of the Homestead Highlands declaration amendment was raised. Jay Miller agreed it needed to be revised and addressed. He and John Savage to work on it in March.**

IV. Maintenance Committee:

A. Fence repairs: **Jeff reported that damaged posts repaired in 2013 and that some of wire liner staples were pulling out and needed maintenance. He will take a look at it this spring and advise the board of work needed.**

B. Landscape maintenance: **JWS reported that 2014 Contract RFP had been posted on Craig's list, copies mailed to area landscaping firms, and classified AD put in local papers.**

C. Open Space weeds: **No action.**

V. Architectural Committee: **No report**

VI. Covenant Compliance: **No report**

VII. New Business:

A. Member Meeting schedule: **Bd selected possible dates of 3/18, 3/20 or 3/21 in that order. President to schedule and send notice.**

B. **Bud suggested new residents in the subdivision be personally greeted given a HOA package of information to foster member participation and compliance.**

C. **John Savage presented the Updated Responsible Governance Statement which was adopted by acclamation.**

VIII. Adjournment: **Meeting adjourned circa 8:30pm**

THE HOMESTEAD AT RIFLE
HOMEOWNERS ASSOC., INC.

MINUTES OF ANNUAL MEETING

The annual meeting of THE HOMESTEAD AT RIFLE HOMEOWNERS ASSOCIATION, INC., was held at **7:00 P.M on Tuesday, March 19, 2013 at RE-2 ADMINISTRATION BUILDING, 839 RAILROAD AVE.**

- I. Call meeting to order @ 7:08 P.M. Present were: Barb Kissell, Harry Kissell, Billie Jansky, Dan & Donna Christianson, Mike O'link, Colleen Ems, Bud Sanders, Jeff Williams, Rich Burns, Wayne Blotske, Jay Miller, Natalie Wilson, and John Savage.
- II. Review of 2012 meeting minutes. **Approved as presented 1st Rich Burns, 2nd Jeff Williams.**
- III. Review of 2012 Financial Reports and 2013 Budget. **Discussion:** Mike O'Link asked about Legal fees and what they were for. JWS stated they were for legal fees from HOA Attorney for enforcing landscaping regulations to Chen owner of 1397 Firethorn Drive. The question of Liens came up from several attendees and discussed at length. Filing a lien, the cost of filing, the threshold of tolerance before filing a lien and if it is worth filing a lien. All agreed it should be discussed at the Board Meeting in April and was a Board issue to deal with. **Financial Reports were presented, reviewed and approved. 1st Jay Miller, 2nd Harry Kissell. BUDGET Approved as submitted. 1st Jeff Williams, 2nd Bud Sanders. No Increase in dues this year.**
- IV. Election of Directors:
Members Elect 5 Directors: **Jay Miller is the designated Board Member from Homestead Highlands, not subject to election by this meeting.**
Nominations to date: Natalie Wilson, 1360 Firethorn Drive by Billie Jansky.
Harry Kissell agrees to step down and let Natalie serve as a Director. The existing Board of John Savage, Jeff Williams and Bud Sanders will remain. No additional nominees. **Nominees elected by acclamation.**
- V. Committees Reports:

Maintenance: Rich Burns to check fences in the spring for repairs needed. Nothing to report from Rich. Jeff Williams agreed to check fences this Spring 2013. Natalie Wilson asks if the HOA sprays pesticide along the fence line. Rich Burns & John Savage says the HOA has not sprayed fence lines except for the trails. Harry Kissell wants to know about the weeds in the field. John

Savage says the fields will be horse free this year and spraying for weeds as needed in the center may happen. Irrigation and cleanup of pastures stated for Spring 2013.

Snow Removal Discussion: **Billie Jansky has bid for snow removal on sidewalks in the Homestead. HOA only clearing sidewalk @ 16th. & Birch.** Homeowners are responsible for clearing walks in front of residence. Suggests if problems with snow on sidewalks to call the City of Rifle for non-compliance of city code. HOA will accept proposal on existing snow plowing parameters if she wants to pass it on.

Architectural Review: Nothing new to report. 1397 Firethorn will be monitored this spring for compliance of HOA landscaping regulations.

Covenant Compliance. **Billy Jansky not having any luck with getting volunteers to join the Covenant Compliance Committee.** Billie doesn't feel she can do it on her own.

V. Old Business. **Nothing to report.**

VI. New Business: **Dan Christensen brought up the mess left behind by Xcel Energy @ the corner of 16th & Birch Ave.** There is a hole that needs to be filled and the landscaping restored. John Savage to take a look @ it and get something done.

Jay Miller addressed the meeting about the letter sent out from the Homestead Highlands about amending the Declaration for the Homestead Highlands due to a clerical error in the original filing. Rich Burns and others expressed confusion as to why the Highlands HOA and not the Homestead would send out a letter. Jay Miller agrees and apologizes for the method used in sending out these notices without the Homestead Board addressing the issue with members directly. The Homestead Board will review at the April meeting and send out correspondence to all Homestead HOA members explaining this change and why.

New HOA website: [http://www.neighborhoodlink.com/The_Homestead Documents](http://www.neighborhoodlink.com/The_Homestead_Documents) will be posted online.

BLOCK PARTY: NOT SCHEDULED BY ASSOCIATION

VII. Adjournment. 8:00 P.M. circa

Minutes by Joan Hibdon

THE HOMESTEAD AT RIFLE PUD
Budget Adopted 2014

			2013 Budget	2013 Acutal	2014 Proposed
EXPENSES:					
Landscape maintenance					
	Mowing/etc		\$4,400	\$4,333	\$5,000
	Trails		\$150	\$0	\$250
	Fence		\$250	\$540	\$500
	Dog stats		\$450	\$1,878	\$1,000
	SUB-TOTAL		\$5,250	\$6,751	\$6,750
	Electric		\$200	\$194	\$200
	Water		\$3,000	\$3,595	\$3,600
	Snow removal		\$1,200	\$2,500	\$2,500
	Ag. Open Space Nte 1		\$0	\$0	\$0
	Misc		\$0	\$75	\$0
	Pipeline		\$0	\$0	\$0
	SUB-TOTAL		\$4,400	\$6,364	\$6,300
	TOTAL		\$9,650	\$13,115	\$13,050
Insurance			\$400	\$416	\$420
Administration					
	Meetings		\$0	\$0	\$0
	Office		\$1,500	\$1,630	\$1,650
	Postage		\$0	\$0	
	Misc		\$75	\$0	\$75
	TOTAL		\$1,575	\$1,630	\$1,725
Misc				\$0	
Uncollected Assessments			\$500		\$500
Reserves /yr					
	Fence		\$1,000	\$1,000	\$500
	Pipeline		\$1,000	\$1,400	\$300
TOTAL			14125	\$17,561	\$16,495
INCOME	Assessments	Units	\$130	\$130	\$130
	SINGLE FAMILY LOT	96	\$12,480	\$0	\$0
	TOWNHOMES (1/2)	12	\$1,560	\$0	\$0
	TOTAL ASSESS		\$14,040	\$14,040	\$14,040
	Other income; collections			\$3,500	\$2,500
TOTAL	Income		\$14,040	\$17,540	\$16,540
NET LOSS/GAIN			-\$85	-\$21	\$45

Note 1: All Ag Open Space costs to be paid by Developer, while leased.

10:39 AM
01/28/14
Cash Basis

Homestead at Rifle HOA, Inc.
Balance Sheet
As of December 31, 2013

	<u>Dec 31, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
Alpine Bank - Savings	24,290.70
Alpine Bank 1414013646	10,898.28
Total Checking/Savings	<u>35,188.98</u>
Accounts Receivable	
Accounts Receivable	-230.00
Total Accounts Receivable	<u>-230.00</u>
Total Current Assets	34,958.98
Fixed Assets	
Open Space	
Agricultural Open Space 03-020	1.00
Firethorn 2177-102-01-018	1.00
Total Open Space	<u>2.00</u>
Total Fixed Assets	<u>2.00</u>
TOTAL ASSETS	<u><u>34,960.98</u></u>
LIABILITIES & EQUITY	
Equity	
Opening Bal Equity	2.00
Retained Earnings	32,822.01
Net Income	2,136.97
Total Equity	<u>34,960.98</u>
TOTAL LIABILITIES & EQUITY	<u><u>34,960.98</u></u>

10:38 AM
01/28/14
Cash Basis

Homestead at Rifle HOA, Inc.
Profit & Loss
January through December 2013

	<u>Jan - Dec 13</u>
Ordinary Income/Expense	
Income	
Finance Charge Collected	5.77
Homeowners Dues	17,524.23
Interest Income	2.42
Total Income	<u>17,532.42</u>
Gross Profit	17,532.42
Expense	
Administration	1,630.05
Bad Debt Expense	75.20
Insurance	416.00
Maintenance	
Fence Maintenance	540.00
Landscaping Mowing	4,333.50
Paths Maintenance	
Pet Stations	1,878.26
Total Paths Maintenance	<u>1,878.26</u>
Snow Removal	2,500.00
Total Maintenance	9,251.76
Professional Fees	
Accounting	200.00
Legal Fees	25.00
Total Professional Fees	<u>225.00</u>
Utilities	
Ag Open Space Pump Reimbursible	8.48
Electricity	193.76
Water	3,595.20
Total Utilities	<u>3,797.44</u>
Total Expense	<u>15,395.45</u>
Net Ordinary Income	<u>2,136.97</u>
Net Income	<u><u>2,136.97</u></u>

March 7, 2014 Homestead HOA Home Owners

Re: Lot housekeeping and landscape maintenance

The Homestead at Rifle PUD Declaration provides for the following:

LOT MAINTENANCE: If any lot owner fails to maintain the lot and the improvements in a manner consistent with the requirements of this Declaration and the rules and regulations of the Association, the Association, upon a vote of a 2/3rds majority of the directors, may enter upon said lot and repair and maintain the surface and exterior of any improvements in conformance with this Declaration. All costs of such repair or maintenance shall be assessed against said lot

IRRIGATION SYSTEMS: All landscaped areas requiring regular irrigation must be serviced by a functional underground irrigation system that is approved by the ACC. The system must be designed by an approved residential irrigation system designer, a list of which will be provided by the ACC upon request. All such systems shall provide for adequately sized zones for the water volumes and pressures available and shall include an automatic irrigation controller. The Association may impose water use restrictions for the purposes of equalizing water usage in the community.

NUISANCES: No nuisance or unsightly object, in the sole determination of the Association, using an objective reasonable person standard, shall be allowed within the PUD nor shall any use or practice be allowed which is a source of unreasonable annoyance to residents or which unreasonably interferes with the peaceful possession and proper use of any lot. In accordance with the provision regarding pets, it shall be a nuisance for anyone to keep a dog or other animal that barks, howls or makes other unreasonable noises that interferes with the peace of neighboring lots. No immoral, improper, offensive, or unlawful use shall be made of the property nor any part thereof. Nothing in this provision shall be interpreted to unreasonably limit the use of the Agricultural Open Space or EZ zone lots

TRASH: All trash, garbage, refuse, rubbish and vegetation cuttings shall be kept in suitable containers and disposed of in a regular manner. Nothing herein shall be construed to prohibit composting if done in a reasonable manner so as not to foster or create an unsightly condition, vermin or odors. In no case shall any trash or vegetation be disposed of in the open spaces, unless specifically authorized by the Association.

VEHICLES: 1. The minimum number of off-street parking spaces as required by the RMC shall be maintained on each lot. 2. Only operable and currently licensable vehicles shall be kept or maintained on any lot unless enclosed in a garage or other screened area. 3. Recreational vehicles, trailers of any type, and commercial vehicles shall not be parked on the public streets of the community for more than 96 hours at one time, or as otherwise required by RMC. 4. Recreational vehicles, trailers, campers, snowmobiles, other sports utility machinery or other moderately sized equipment or machinery may be stored on a lot, if done so in a neat, orderly and well maintained manner. Covered and/or screened storage areas or landscape screening are encouraged, but not mandatory. 5. Provision may be made for shared access easements between lots to allow for occasional vehicle access to the rear of lots.

WEED CONTROL: It shall be each lot owners responsibility to control all noxious weeds on the entire lot. If any lot owner fails to control weeds in a reasonable manner, the Association, after 15 days notice, may enter the lot and perform such actions as it deems appropriate for weed control and assess the lot owner for all expenses of such weed control.

Be advised that the Board of Directors are contemplating a more vigorous enforcement of these requirements. You are invited to attend the annual meeting to further discuss and provide direction to the Board on this matter.

**THE HOMESTEAD AT RIFLE PUD HOMEOWNERS ASSOCIATION, INC.
RESPONSIBLE GOVERNANCE POLICY STATEMENTS**

Notwithstanding any provisions in the Declaration of the Homestead at Rifle PUD, or the Articles of Incorporation, Bylaws and/ or Rules and Regulations of The Homestead at Rifle PUD Homeowners Association, Inc. (hereafter the “Association”) to the contrary, and in order to comply with Colorado law governing common interest communities, the Board of Directors (hereafter “the Board”) does hereby adopt the following Responsible Governance Policy Statements as its Rules and Regulations, which are attached hereto and incorporated by reference.

***PUBLIC DISCLOSURES AND MAINTENANCE OF ACCURATE AND COMPLETE
ACCOUNTING RECORDS***

The Association shall maintain accurate and complete accounting records as required by the Colorado Revised Statutes. Within ninety days after the end of each fiscal year, the Association shall make the following information available to members upon reasonable notice:

1. The date on which its fiscal year commences;
2. The operating budget for the current fiscal year;
3. A list, by unit type, of the association's current assessments, including both regular and special assessments;
4. Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
5. The results of its most recent available financial audit or review;
6. A list of all Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.
7. All the Association's bylaws, articles, and rules and regulations;
8. The minutes of the Board of Director and member meetings for the fiscal year immediately preceding the current annual disclosure; and
9. The Association's responsible governance policies adopted under section 38-33.3-209.5 of the Colorado Revised Statutes.

The information shall be readily available at no cost to members. Disclosure shall be accomplished by one of the following means: posting on an internet web page with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a common expense liability. Additional accounting and other information is available pursuant to the Inspection and Copying of Association Records Policy set forth herein.

COLLECTION OF UNPAID ASSESSMENTS

Notwithstanding any provision of the Declaration, Bylaws, Articles, or Rules and Regulations to the contrary or the absence of a relevant provision in the Declaration, Bylaws, Articles, or Rules and Regulations, the Association may not use a collection agency or take legal action to collect unpaid assessments unless the Association has adopted, and follows, a written policy governing the collection of unpaid assessments.

The Association's policy governing the collection of unpaid assessments is as follows:

(I) Assessments are due annually. Any assessment not paid within 30 days after mailing of the invoice is considered delinquent.

(II) A late fee of \$10.00 per month and interest of 18% per annum from the date due shall be imposed on a delinquent assessment.

(III) A returned-check charge of \$25.00 shall be imposed on each check returned for any reason.

(IV) A delinquent Owner has a one-time opportunity to enter into a payment plan with the Association, lasting six months, to bring their delinquent account current. In the event the Association and the delinquent Owner enter into a payment plan, the Owner is also required to remain current in the payment of future assessment fees. In the event all payments are made as agreement, late fees and interest shall be waived. If an Owner fails to make the installment and/or regular assessment payment(s), the Association may immediately proceed with additional action to collect the unpaid debt. The payment plan requirement does not extend to Owners who do not occupy the property and took title as a result of a public trustee or judicial foreclosure.

(V) Before the Association refers a delinquent account of an Owner to an attorney for legal action, the Association shall send the Owner a notice of delinquency specifying:

(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 38-33.3-316.3 and instructions for contacting the Association to enter into such a payment plan;

(C) The name and contact information that the Owner may contact to request a copy of the 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 days may result in a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

(VI) In the event a delinquent account is referred to an attorney for collection, the delinquent Owner shall also be liable for attorney's fees and costs as permitted by the governing documents.

(VII) Any payments made on delinquent assessments shall be applied in the following order: (1) attorney's fees and costs; (2) late fees; (3) interest; and (4) assessment balance.

(VII) The Association may collect on a delinquent account by filing a lawsuit against the Owner, the filing of an assessment or judgment lien against the Owner's property, the foreclosure of a lien filed against the Owner's property and/ or any other remedy available under Colorado law.

(VIII) Before the Association may take action to foreclose on a lien, the balance due of assessments and charges secured by the lien must equal or exceed 6 months of common expense assessments; and the Board of Directors must vote in a regular or special meeting, and record the vote, to foreclose on the property.

CONFLICTS OF INTEREST

A conflict of interest is defined as a contract, transaction, or other financial relationship between the Association and a Board member or other executive Director or member, or between the Association and a party related to the Board or executive member, or between the Association and an entity in which a member is an officer, director or has a financial interest.

Each Director has the duty to disclose orally and in writing to the other Directors a conflict of interest at the time the conflict of interest exists. If the conflict is disclosed orally within the context of a meeting, it shall be recorded in the minutes and the minutes shall constitute disclosure in writing.

After disclosure of a conflict of interest, a Director must recuse himself or herself from discussing or voting on the issue; provided, however, that a Board member with a conflict of interest may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes, approves or ratifies the conflicting interest transaction. At the first meeting of the Directors after the annual meeting of the members, the Directors shall review of the Association's conflict of interest policies, procedures, and rules and regulations

No conflicting interest transaction shall be void or voidable or enjoined, set aside, or give rise to an award of damages or other sanctions or proceeding by a member of the Association or the Association, solely because the conflicting interest transaction meets the definition of a conflict of interest or solely because the member or Director is present at the meeting of the Board or of any committee of the Board that authorizes, approves or ratifies the conflicting interest transaction if:

- a. The conflicting interest transaction is fair as to the Association; and either
- b. The material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or committee and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of disinterested members, even though the disinterested members are less than a quorum; or
- c. The material fact as to the member's relationship or interest as to the conflicting interest transaction are disclosed or are known to the members of the Association entitled to vote on the matter, and the conflicting interest transaction is specifically authorized, approved or ratified in good faith by a vote of the members of the Association to vote thereon.

CONDUCT OF MEETINGS

I. Open Meeting. All meetings of the Owners and the Board of Directors are open to every Owner and to any person designated by an Owner, in writing, as the Owner's representative. The Board of Directors, however, may hold an executive session and may restrict attendance to Directors and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session may include only matters enumerated below: (a) matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association; (b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; (c) investigative proceedings concerning possible or actual criminal misconduct; (d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; or (f) review of or discussion relating to any written or oral communication from legal counsel.

II. Notice of Meeting. Written notice of each Owners' meeting shall be given by any person authorized to call the meeting. Not less than 10 days in advance of the meeting, the notice of the meeting shall be mailed or personally delivered to each Owner. In addition to providing mail or personal delivery of the notice as set forth above, the Association may also provide notice in electronic form, by posting to a website or by e-mail. If such electronic means are available, electronic notice shall be provided to all Owners who so request and who furnish the Association with their e-mail address. The notice of any meeting must state the time and place of the meeting and the items on the agenda

III. Owners' Meeting Procedure. All Owners' meetings shall follow the following procedures:

- A. All Owners and Owner representatives who attend the Owners' meeting will sign in, present any proxies and receive ballots as appropriate.
- B. Any person desiring to speak shall sign up on the list provided at check-in.
- C. The President of the Association or the Vice President, if the President is unavailable, shall preside over all Owners' meetings.
- D. Comments are to be made in a civil manner without profanity, personal attacks, or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand. Anyone who refuses to "come to order" upon being asked to do so will be asked to leave.
- E. All actions and decisions require a first and second motion and vote. Once a vote has been taken there will be no further discussion on the matter.
- F. The Secretary shall keep minutes of the meeting.
- G. The President may establish such additional rules of order as may be necessary from time to time.

IV. Voting Procedure.

- A. Votes for contested positions of the Board of Directors shall be taken by secret ballot. Each Owner shall receive a ballot, which shall not identify the name or lot address of the ballot holder. A proxy holder shall receive a secret ballot to be voted on behalf of the Owner providing the proxy.
- B. Votes for all other matters shall be taken in such manner as determined by the Board, unless otherwise provided by law.
- C. Ballots shall be counted by a neutral third party or by a committee of volunteers.
- D. The results of a vote taken by secret ballot shall be reported without reference to the name, addresses, or other identifying information of Owners participating in such vote

V. Proxies. Owners may vote by proxy.

A. Proxies shall be reviewed as to the validity of the signature, the signatory's authority to sign on behalf of the Owner, the authority of the Owner's vote, incomplete or expired proxies and conflicting proxies. The Association may reject any proxy if the Secretary or other authorized individual, acting in good faith, has reasonable basis for doubt about the validity of the signature on the proxy or the signatory's authority to sign on behalf of the Owner. A proxy shall not be valid if obtained through fraud or misrepresentation.

VI. Board Meeting Procedure. All Board of Directors meetings shall follow the following Rules and procedures:

- A. All Owners and Owner representatives who attend a meeting of the Board will sign-in.
- B. All Owners and Owner representatives who attend a Board meeting will be given an opportunity to speak as to any matter or ask questions of the Board. Any person desiring to speak shall so indicate at check-in.
- C. The President of the Association, of the Vice-president if the President is unavailable shall chair all Board of Directors meetings.
- D. The Board may receive Owners comments during a designated period for issues not on the agenda or at the time for hearing an issue on the agenda. Each person speaking shall first state his/her name and lot address or representative capacity.
- E. Those addressing the Board shall be permitted to speak without interruption from anyone as long as the Rules are followed. The President, however, 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 President shall provide for a reasonable number of persons to speak on each side of the issue.
- F. Comments are to be made in a civil manner without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand. Anyone who refuses to "come to order" upon being asked to do so by the President will be asked to leave.
- G. After a motion and second has been made on a matter to be discussed, but prior to a vote by the Board of Directors, Owners present at such time shall be afforded an opportunity

Responsible Governance Policies
Rules and Regulations

The Homestead at Rifle PUD HomeOwners Association, Inc.

to speak on the motion. Following Owner Comment, the Chair will declare Owner Comment closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board votes to open the discussion to further Owner participation.

H. The Secretary will keep minutes of the meeting.

I. The President may establish such additional rules of order as may be necessary from time to time.

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ENFORCEMENT OF COVENANTS AND RULES

Notwithstanding any provision of the Declarations, Bylaws, Articles, or Rules and Regulations to the contrary, the Association may not fine an Owner for an alleged violation unless the Association has adopted, and follows, a written policy governing the imposition of fines, and the policy includes a fair and impartial fact-finding process concerning whether the alleged violation actually occurred and whether the Owner is the one who should be held responsible for the violation. The process may be informal, but at a minimum shall guarantee the Owner notice and an opportunity to be heard before an impartial decision maker. The Association's policy regarding enforcement of covenants and rules is as follows:

1. Scope. The following enforcement Policies have been adopted for violations of the Association's governing documents (the Declarations; Articles of Incorporation; Bylaws; and any other Rules, Regulations, and Policies which have been or may be created.)
2. Notification:

“Informational Notice” – Upon review of a complaint by an Owner, Director, or managing agent, the Board of Directors or a designee shall review the complaint and if appropriate issue a courtesy notice by mail to the Owner describing the alleged violation (the “Informational Notice.”) The Owner will have 15 days to cure the alleged violation without further intervention from the Association.

“Notice of Hearing” – If the alleged violation still exists 15 days following the Informational Notice, the Board of Directors or designee will send a second notice informing the Owner that a hearing has been scheduled with the Board of Directors. This notice shall include a general statement of the alleged violation and the date, time and place of the hearing. The hearing shall occur not earlier than 15 days following the date of the Notice of Hearing. If any principal party is unable to attend the scheduled hearing, and can show good cause, he/she may request, in writing, at least 5 days in advance of the hearing, that the hearing be rescheduled. Upon receipt of such request, the Board of Directors may, but is not obligated to, reset the time and date of the hearing and promptly notify any other principal parties involved.

All notices under this section are presumed to have been received upon personal delivery or within three days after the notice has been sent, postage prepaid, by first class U.S. mail. It is the Owner's responsibility to make sure that the management company and/or Association has correct and up-to-date contact information regarding Owner's present address.

3. Determination

“Hearing”- This is an informational, administrative procedure in front of an impartial decision maker. An impartial decision maker means a person or group of persons who have the authority to make a decision regarding the enforcement of the Association’s Declaration, and other Rules and Regulations of the Association and do not have any direct personal or financial interest in the outcome, meaning they will not receive any greater benefit or detriment than will the general membership of the Association, as a result of the outcome. Under this policy, the Board of Directors (or other such committee, if any, which may have been given authority in matters relating to hearings) is considered the impartial decision maker. Any Director or committee member who is not an impartial decision maker shall recuse himself or herself from acting as an impartial decision maker.

Rules of evidence do not apply. Any party may have an attorney present. Hearings are open to all Owners unless the matter is highly sensitive or concerns a matter of privacy as defined by C.R.S. § 38-33.3-308. Anyone with an interest in the matter may present testimony orally, in writing or both (as specified in the notice.) The Board of Directors may exercise its discretion as to the specific manner in which a hearing shall be conducted and may question witnesses, review evidence, and take such reasonable action during the course of a hearing as it deems appropriate to reach a just decision.

The Board of Directors shall render its decision upon a vote of 2/3rds majority and issue a “Written Determination” within 10 days following the Hearing, and mail such Written Determination to the Owner. If the Owner is found in violation, a \$50.00 fine for violation(s) and costs of the hearing, including any reasonable attorney’s fees, may be assessed to the Owner. If, as a result of the fact-finding process it is determined that the Owner should not be held responsible for the alleged violation, the Association shall not allocate to the Owner any costs or fees incurred in asserting or hearing the claim.

In the event that an Owner fails to appear at the Hearing, or at any rescheduled hearing, the Board of Directors will proceed based on the information available at the time, render its decision and issue a Written Determination within 10 days following the Hearing, mail such Written Determination to the Owner.

4. Types of Violations

“Type I Violation” – those violations that can be corrected immediately (such as removal of inoperable vehicles, trash or weeds). The Owner shall have 15 days, or other specified reasonable time frame, from the date of the Written Determination in which to cure the violation.

“Type II Violation”- those violations that take time to correct (such as painting or structural issues). The violation must be corrected within 45 days of the Written Determination.

5. Further Action. If the violation has not been cured within 15 days following the Written Determination for Type I Violations or 45 days for Type II Violations, the Association may take any or all of the following actions:
 - A. Assess an additional \$100.00 fines for each 15 day period that the violation(s) remain uncorrected; and/or
 - B. Enter onto the property, correct the violation(s), and assess all costs and charges associated with the correction against the Owner’s account (upon a vote of 2/3rds of the Board of Directors); and/or
 - C. Remand the matter for judicial remedy. In the event of legal action, the prevailing party is entitled to receive reimbursement for reasonable attorney’s fees and court costs.
 - D. Any fine assessed is due and payable 15 days from notification and is considered delinquent if not paid within that same 15 days. Any unpaid amount automatically becomes a lien on the property and shall be subject to applicable late charges, interest and collection in the same manner as delinquent assessments.
 - E. Nothing in this Policy shall be deemed to waive the Association’s right to pursue any other legal action available to it in the addition to, in lieu of or in conjunction with, the foregoing notification and fine process.

6. Owner Complaints. Complaints against all alleged violators lodged by another Owner must be in writing and submitted to the Board of Directors or the management company. The complaint must include the nature of the violation including date and time if applicable, the name or address of the alleged violator, and any pertinent facts supporting the complaint. The complaint must also contain the printed name and signature of the person lodging the complaint. It is the general policy of the Association to maintain confidentiality of complaints, if possible. However, if a complaint becomes the subject of a Hearing or litigation, or for any other reason, becomes a general public issue, confidentiality is not guaranteed. It is suggested that the procedures for addressing disputes between the Association and the Owner and/or Neighborhood Disputes be attempted first.

INSPECTION AND COPYING OF ASSOCIATION RECORDS

I. Public Disclosures.

A. Disclosures. Within ninety days after the end of each fiscal year, the Association shall make the following information available to members upon reasonable notice:

1. The date on which its fiscal year commences;
2. The operating budget for the current fiscal year;
2. A list, by unit type, of the association's current assessments, including both regular and special assessments;
3. Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
4. The results of its most recent available financial audit or review;
5. A list of all Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.
6. All the Association's bylaws, articles, and rules and regulations;
7. The minutes of the Board of Director and member meetings for the fiscal year immediately preceding the current annual disclosure; and
8. The Association's responsible governance policies adopted under section 38-33.3-209.5 of the Colorado Revised Statutes.

B. Procedure and Cost. The information shall be readily available at no cost to members. Disclosure shall be accomplished by one of the following means: posting on an internet web page with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a common expense liability.

II. Other Records.

A. Records to be Maintained. The Association shall also maintain the following, all of which shall be deemed to be the sole records of the Association for purposes of document retention and production to Owners:

1. Detailed records of receipts and expenditures affecting the operation and administration of the Association;
2. Records of claims for construction defects and amounts received pursuant to settlement of those claims;

3. Minutes of all meetings of its Owners and Board of Directors, a record of all actions taken by the Owners or Board without a meeting, and a record of all actions taken by any committee of the Board;
4. Written communications among, and the votes cast by, Board members that are:
 - (I) Directly related to an action taken by the board without a meeting pursuant to section 7-128-202, C.R.S.; or
 - (II) Directly related to an action taken by the Board without a meeting pursuant to the Association's bylaws;
5. The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Owner is entitled to vote;
6. Its current declaration, covenants, bylaws, articles of incorporation, rules and regulations, responsible governance policies adopted pursuant to section 38-33.3-209.5, and other policies adopted by the Board;
7. Financial statements as described in section 7-136-106, C.R.S., for the past three years and tax returns of the Association for the past seven years, to the extent available;
8. A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;
9. Its most recent annual report delivered to the Secretary of State;
10. Financial records sufficiently detailed to enable the Association to comply with section 38-33.3-316 (8) concerning statements of unpaid assessments;
11. The Association's most recent reserve study, if any;
12. Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
13. Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
14. Ballots, proxies, and other records related to voting by Owners for one year after the election, action, or vote to which they relate;
15. Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members; and

16. All written communications within the past three years to all Owners generally as unit Owners.

C. Exceptions to Inspection of Other Records. A membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner without consent of the Board. Further, without the consent of the Board, a membership list or any part thereof may not be: (1) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association; (2) used for any commercial purpose; or (3) sold to or purchased by any person.

Records maintained by the Association may be withheld from inspection and copying to the extent that they are or concern:

- (a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal Owner of the drawings, plans, or designs;
- (b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- (d) Disclosure of information in violation of law;
- (e) Records of an executive session of the Board; or
- (f) Individual units other than those of the requesting Owner.

Records maintained by the Association are not subject to inspection and copying, and must be withheld, to the extent that they are or concern: (1) personnel, salary, or medical records relating to specific individuals; or (2) personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

D. Procedure. Subject to the exception set forth above, all records maintained by the Association must be available for examination and copying by an Owner or the Owner's authorized agent. The Association may require unit Owners to submit a written request, describing with reasonable particularity the records sought, at least ten business days prior to inspection or production of the documents and may limit examination and copying times to normal business hours or the next regularly scheduled Board meeting if the meeting occurs within thirty days after the request.

The right to copy records under this section includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by the Owner. The Association is not obligated to compile or synthesize information. The Association is not obligated to create records that do not exist or compile records in a particular format or order.

The Association reserves the right to have a third party present to observe during inspection of records by an Owner or the Owner's representative. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy, or mark in any manner, any original book or record of the Association

E. Costs. Association shall impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of the Association records. Owners shall be responsible for all actual costs incurred by the Association which have been determined to be \$0.15 per page and \$75.00 per hour for the cost to search, retrieve and copy the records requested. For copy requests estimated to be \$25.00 or more, the Association may require a deposit equal to the anticipated actual cost of the requested records. If an Owner fails to pay the deposit, the Association shall be justified in denying the Owner the requested records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to the delivery of such copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies

INVESTMENT OF RESERVE FUNDS

General Policy. When the Association has a reserve study prepared for the portions of the community maintained, repaired, replaced and improved by the Association; whether there is a funding plan for any work recommended by the reserve study and the projected sources of funding for the work (if any), and whether the reserve study is based on a physical analysis and financial analysis. An internally conducted reserve study shall be sufficient.

Purpose of Reserve Fund. The reserve fund is for the exclusive benefit of the Association to meet unforeseen expenditures or to purchase additional equipment or services or for future capital repairs, replacements and improvements to the Common Elements of the Association, all as determined by the Board of Directors.

Segregation of Reserve Funds. Any reserve funds shall be held in segregated accounts and shall not be comingled with the general operating funds of the Association. All investments will be purchased in the name of the Association.

Investment Goals. The Board of Directors shall use its best judgment to invest the funds held in the reserve fund account(s) to meet the following goals: promote and assure the preservation of principal, structure maturities to ensure the assets will be liquid for anticipated needs, achieve long-term investment performance appropriate for the asset classes selected.

Limitation on Investments. Reserve funds may NOT be invested in equity securities, annuities, options, futures contracts, precious metals, foreign currencies or other similar investments.

Reserve Study. In order to determine future funding requirements, the Board of Directors may retain outside professionals to assist in preparing a reserve study of the Common Elements of the Association. A reserve study estimates the remaining useful life of the various Common Elements and projects the future costs and timing for maintenance, repair, and replacement of the same.

Independent Professional Investment Assistance. The Board of Directors may hire a qualified investment adviser to assist it in formulating an investment strategy for Association funds.

Review and Control: a) The signature of at least two Directors must be obtained for withdrawals or transfers of reserve assets; b) Banks must provide timely and accurate monthly bank statements to the Board of Directors or management company to be reconciled; and c) At least once a year, the Board of Directors shall review its investment of any reserve funds to ensure that the goals outlined in this policy are being met.

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

Authority. The Board of Directors has the authority, in its discretion, to make, establish and promulgate Policies, Procedures and Rules (“Rules”), and to amend, repeal and re-enact such Rules, as the Board deems proper, necessary or desirable, covering any and all aspects of the Boards functions, including the use and occupancy of the Association Property and/or the Common Elements, provided however, that a Rule may not be inconsistent with or contrary to the Declarations, Articles of Incorporation and Bylaws of the Association.

Procedure for Adoption.

Drafting Considerations. The Board of Directors shall consider the following in adopting a new Rule: a) whether the governing documents and the Colorado Law grant the Board of Directors authority to adopt the Rule, b) the need for the Rule based on the scope of importance of the issue and whether the Governing Documents adequately address the issue, and c) the immediate and long-term impact and implications of the Rule.

Adoption. A majority of the Directors present at any regular meeting or at any special meeting of the Board of Directors may adopt a Rule if at least five (5) days notice is given to the Owners of the Board’s intention to adopt such Rule at such meeting. The Owners shall have the right to comment on the purposed Rule at the meeting. Upon adoption of a Rule, a copy of the Rule, including its effective date, shall be provided to all Owners by any reasonable method determined by the Board.

Procedure for Amendment. A majority of the Directors present at any regular meeting or at any special meeting of the Board of Directors may amend any Rule if at least five (5) days notice is given to the Owners of the Board’s intention to amend such Rule at such meeting. Upon amendment of the Rule, the Rule or notice of such Rule, a copy of the Rule, including its effective date, shall be provided to all Owners by any reasonable method determined by the Board.

Inspection of Rules. Each Owner shall be entitled to examine the Rules at any time during normal business hours at the principal office of the Association.

PROCEDURES FOR ADDRESSING DISPUTES ARISING BETWEEN THE ASSOCIATION AND OWNERS AND/OR NEIGHBORHOOD DISPUTES

Scope. This Policy addresses disputes arising between Association and Owners and/or neighborhood disputes that are not addressed specifically by other Policies.

Approach. The cost, complexity, and delay inherent in court proceedings make litigation a particularly inefficient means of resolving neighborhood disputes. Common interest communities are encouraged, by the legislature, to adopt protocols that make use of mediation or arbitration as alternatives to, or preconditions upon, the filing of a complaint between a unit Owner and Association in situations that do not involve an imminent threat to the peace, health, or safety of the community. The General Assembly has specifically endorsed and encouraged Associations, Owners, managers, declarants, and all other parties to disputes to agree to make use of all available public or private resources for alternative dispute resolution, including, without limitation, the resources offered by the office of dispute resolution within the Colorado judicial branch through its web site. Specifically, any controversy between the Association and an Owner may be submitted to mediation by agreement of the parties prior to the commencement of any legal proceeding. If a mediation agreement is reached, it may be presented to the court as a stipulation. Either party to the mediation may terminate the mediation process without prejudice. If either party subsequently violates the stipulation, the other party may apply immediately to the court for relief.

Neighborhood Disputes. There are alternatives to police or code enforcement protection. Disputes in higher density housing (whether in a single family home community or a high rise condominium) are inevitable. Methods exist to bring about dispute resolution, and each situation should be evaluated on its own merits to determine which process fits. In the end, if the affected Owners intend to live in the community for the long term, some type of negotiated resolution will work much better than a resolution imposed by a third party. The first alternative includes neighbor to neighbor conversation or negotiation to resolve the neighbor to neighbor dispute. The following are some steps that the affected neighbor might want to consider:

- a. Find out the facts. Determine whether this disturbance is a one-time problem or a constant occurrence.
- b. Vent your feelings before you approach your neighbor. The goal here is to bring a rational approach to your neighbor, not one that is emotionally charged.
- c. Write it out. Get clear about what is bothering you and what you want done.
- d. Figure out who is responsible for the disturbance. You want to negotiate with the proper party.
- e. Talk to your other neighbors and find out whether they share your concern. This is simply for your information; try not to aggravate the situation by building an angry alliance.
- f. Introduce yourself. Arrange a time to meet with your neighbor and choose a neutral location.

Responsible Governance Policies
Rules and Regulations

The Homestead at Rifle PUD HomeOwners Association, Inc.

- g. Ease into it. Describe the issue without inflammatory language. Try to avoid putting your neighbor on the defensive right out of the gate.
- h. Create a cooperative atmosphere. Rather than attacking your neighbor, ask for assistance in finding a solution. Listen to your neighbor's viewpoint. Take appropriate levels of responsibility.
- i. Find common ground and focus on what you do agree on.
- j. Search for a solution that satisfies both parties' needs. Compromise.
- k. If this personal approach does not yield results, there are some other alternatives, all of which require some type of third party intervention. While the Association does not need to be involved, it can provide a forum and a process for resolution of the dispute. It could request volunteers from the community who might be willing to serve on a dispute resolution committee to help negotiate a resolution.
- l. The parties themselves could agree to mediation or arbitration. The last resort in dispute resolution should be initiating a lawsuit. Lawsuits are: (1) time consuming; (2) expensive; (3) public; and (4) emotionally expensive. The result of a lawsuit is often that neither party gets what they want and the outcome can be similar to calling the police - there becomes a permanent line in the sand for so long as the Owners are neighbors.