

Policies, Procedures And Guidelines  
of  
Sunset Ridge Property Owners Association

1. [Collection Procedures in addition to those required by HB-1276](#)
2. [Collection Procedure required by HB-1276](#)

Exhibit "A" Policy for Notifying Owners of the Collection Process of Unpaid Assessments  
Exhibit "B" Approved Payment Plan  
Exhibit "C" Letter to Owner  
Exhibit "D" Notice to Owner

3. [Adopting Policies](#)
4. [Enforcing the Covenants and Rules of the Association](#)
5. [Conduct of Meetings](#)
6. [Inspection and Copying of Records](#)
7. [Reserve Study](#)
8. [Investment of Reserve](#)
9. [Director Conflict of Interest and Code of Ethics](#)
10. [Alternative Dispute Resolution \(ADR\)](#)
11. [Septic Inspections](#)
12. [Hearing Policy and Procedure](#)
13. [Fire Mitigation Policy](#)
14. [Property Owners and Contractors Slash Burning Policy](#)

These Policies, Procedures and Guidelines have been adopted and implemented to protect the investment of the Property Owners and to enhance the values of the properties subject to regulation by the Association.

1. **Collection Procedures.** The Association hereby adopts the following policy and procedure regarding the collection of unpaid assessments in addition to those required by HB-1276: Effective May 1, 2014.

1. **Due Dates.** Annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable 30 days after date of invoice. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 30 days of the due date shall incur late fees and interest as provided below. In the event a notice of acceleration is given to delinquent Owner(s), the Owner(s) of the Lot/Tract shall also be charged any costs incurred by the Association in giving notice of such acceleration.

2. **Receipt Date.** The Association shall post payments on the day that the payment is received by the Association.

3. **Late Fees Imposed on Delinquent Payments.** The Association shall impose a One Hundred Dollar (\$100.00) late charge on delinquent payments.

4. **Interest on Delinquent Payments.** Delinquent assessments, fines or other charges due the association shall bear interest at a rate of Wall Street Journal Prime plus five (5%) per annum on the amount owed for each Owner who fails to timely pay their monthly installment of the annual assessment within 30 days of the due date.

5. **Personal Obligation for Late Charges.** The late charge shall be the personal obligation of the Owner(s) of the Lot/Tract for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

6. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a reasonable fee, not to exceed \$20.00, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Lot/Tract for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within 10 days of the due date.

7. **Service Fees.** In the event the Association incurs any type of service fee, regardless of what it is called by its management company, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.

8. **Attorney Fees on Delinquent Accounts.** As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and

payable immediately when incurred, upon demand.

9. Application of Payments. All sums collected on a delinquent account that has been turned over to the Association's attorney shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied first to attorney fees and costs, next interest and late charges, next to unpaid assessments.

10. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a fee as established by the Board. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

11. Liens. The Association may file a Notice of Lien against the property of any delinquent Owner in accordance with the terms and provisions of the Declaration of Protective Covenants and Restrictions, Article VII, Section 10.

12. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot/Tract within the Association, the manager shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

14. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Association, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- A. Filing of a suit against the delinquent Owner for a money judgment;
- B. Instituting a judicial foreclosure action of the Association's lien;
- C. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- D. Filing a court action seeking appointment of a receiver. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

15. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property,

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

16. Rental Interception. The Association may, without court order, notify the tenant of any Lot/Tract where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.

17. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.

18. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

19. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

20. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

21. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

22. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

23. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

24. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

25. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

26. Amendment. This Policy may be amended from time to time by the Board of Directors and is intended to supplement the policies required by HB 13-1276.

2. **Collection Procedure.** The Association hereby adopts the following policy and procedure regarding the collection of unpaid assessments required by HB-1276: Effective May 1, 2014.

1. See attached Policy - Exhibit A. (Attach policy and related documents.)

2. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

3. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

4. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

5. Amendment. This Policy may be amended from time to time by the Board of Directors and is intended to supplement the policies required by HB 13-1276.

## **Exhibit "A" Policy**

### **Sunset Ridge Property Owners Association Inc.**

#### **Policy for Notifying Owners of the Collection Process of Unpaid Assessments**

In order to comply with the requirements of C.R.S. § 38-33.3-209.5, the Association hereby institutes the following policy governing the collection of unpaid assessments.

1. The date on which assessments must be paid shall be 30 days after the date of invoice. Assessments shall be considered past due and delinquent 30 days after said date.
2. The Association is entitled to impose and will impose late fees in the amount of \$100.00 and interest on the unpaid balance shall accrue at the rate of Wall Street Journal Prime plus 5% against a delinquent Lot/Tract owner's account.
3. The Association may impose return check charges in the amount of \$20.00.
4. An owner whose account is more than six (6) months past due shall be entitled to a payment plan as required by C.R.S. § 38-33.3-316.3, if the owner has not previously been given a payment plan. Said plan shall contain the following:
  - A. A statement that the balance of the assessment and charges secured by the Association lien which equals or exceeds six (6) months of common expense assessments based on the periodic budget adopted by the Board of Directors;
  - B. The Board of Directors has formally resolved by a recorded vote to authorize the filing of a legal action against the owner's Lot/Tract on an individual basis;
  - C. The Association under the terms of the agreement may only foreclose its assessment lien if
    - (1) the balance of the assessment charge is secured by the lien equals or exceeds six (6) months of common expense assessments based on the periodic budget adopted by the Board;
    - (2) an affirmative vote by the Board of Directors has formally resolved by a recorded vote to authorize the filing of the legal action against the specific Lot/Tract on an individual basis.
    - (3) the Association and the Lot/Tract owner must make a good faith effort to set up a payment plan that meets the requirements of C.R.S. § 38-33.3-316.3 and no plan is reached or the owner fails to comply with said plan.
    - (4) this policy shall not apply in the event that the Lot/Tract owner does not occupy the unit and has acquired the property as a result of:
      - (a) a default of a security interest in covering the Lot/Tract or foreclosure of the Association's lien.
    - (5) The Association is not obligated to negotiate a payment plan with a Lot/Tract owner who has previously entered into a payment plan.
    - (6) A copy of the approved plan is attached as Exhibit "B".
  - D. Under the plan, owner shall pay the deficiency in equal installments over a period of at least six (6) months.
  - E. Failure of the Lot/Tract owner to comply with the terms of the payment plan or to remain current with regular assessments as they come due during the payment plan will result in the Association going forward with foreclosure of its lien.
  - F. For the purposes of this policy, assessments includes regular and special assessments, any

associated fees, charges, late charges, attorneys fees, fines and interest charged against the owner's account.

G. Prior to turning over a delinquent account, the Association shall send a letter and notice to the owner. See attached Exhibits "C" and "D".

H. Payments made under any plan shall be applied as follows: See the attached approved payment plan.

I. The Association has the legal right to file an assessment lien against your property covering assessments, late fees, interest and attorneys fees and to bring a foreclosure action of said lien against your Lot/Tract and/or a personal action against you individually for all past due amounts plus attorneys fees and costs. You will be responsible for the fees and costs of any such action.



**Exhibit "C" Letter to Owner**

SUNSET RIDGE PROPERTY OWNERS ASSOCIATION, INC.  
P.O. BOX 416  
TABERNASH, CO 80478  
www.sunsetridgepoa.com

Date,

Dear \_\_\_\_\_:

You are indebted to the Sunset Ridge Property Owners Association for assessments, late fees and interest in the amount of \$ \_\_\_\_\_. This constitutes at least six months unpaid charges. Enclosed is a Notice which describes your rights. Pursuant to the provisions of C.R.S. § 38-33.3-209.5 and C.R.S. § 38-33.3 -316.3 the Board of Directors of the Association has determined, on an individual basis, by written resolution, to begin the collection process against you. Also enclosed is a Payment Plan which provides for the payment of past due charges as well as payment of current charges as they fall due. Your Association believes that this Agreement constitutes a reasonable effort to cooperate with you in the payment of past due charges while still allowing the Association to have the funds available to properly manage the common elements and the Association.

Please respond to the address above within 30 days of the date of this letter if this plan is acceptable to you. Failure by you to enter into a plan can result in foreclosure of the Association's assessment lien against your property. Please see the Notice to Owner attached.

Sincerely,

BY: \_\_\_\_\_  
Title:

**Exhibit "D" Notice to Owner**

**SUNSET RIDGE PROPERTY OWNERS ASSOCIATION, INC.  
P.O. BOX 416  
TABERNASH, CO 80478  
www.sunsetridgpoa.com**

**Date,**

TO: \_\_\_\_\_

You are hereby notified pursuant to the provisions of C.R.S. § 38-33.3-209.5 that you are indebted to the Sunset Ridge Property Owners Association in the amount of \$\_\_\_\_\_. This amount was determined as follows:

Dues  
Late Charges  
Finance Charges  
Collection Fees  
Attorneys Fees

You may have the opportunity to enter into a payment plan pursuant to the provisions of C.R.S. § 38-33.3- 316.3 if this is your first past due account and your first opportunity to enter into such a plan. A blank copy of the form of plan is attached. It is necessary that you contact \_\_\_\_\_ at the address above, or by phone \_\_\_\_\_ in order to enter into such a plan.

You may contact \_\_\_\_\_ at the address above, or by phone \_\_\_\_\_ to request a copy of your ledger in order to verify the past due amount. Action is required to cure the delinquency. Failure to make payment or enter into a payment plan within 30 days may result in your account being turned over for collection to the Association attorney and foreclosure of the lien against your property or other remedies available under Colorado law.

Payments made by you against the delinquent account shall be applied first to attorney fees and costs, next collection fees, next interest and late charges, next to unpaid assessments.

The Association has the legal right to file an assessment lien against your property covering assessments, late fees, interest and attorneys fees and to bring a foreclosure action of said lien against your Lot/Tract and/or a personal action against you individually for all past due amounts plus attorneys fees and costs. You will be responsible for the fees and costs of any such action.

You must contact the Association within 30 days to enter into the payment plan if this is your first delinquency and plan.

BY: \_\_\_\_\_  
Title

3. **Adopting Policies.** The Association hereby adopts the following procedures to be followed in adopting Policies of the Association: Effective May 1, 2014.

1. **Scope.** The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

2. **Drafting Procedure.** The Board shall consider the following in drafting the Policy:

A. Whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;

B. The need for such Policy based upon the scope and 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 Policy.

3. **Notice and Comment.** The adoption of every proposed policy shall be listed on the agenda for the Board meeting prior to adoption by the Board and any Owner who wishes to comment on the proposed Policy shall be afforded such opportunity in compliance with Colorado law.

4. **Emergency.** The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy.

5. **Adoption Procedure.** Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board, including but not limited to posting on the Association's website.

6. **Definitions.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

7. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

8. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

9. **Amendment.** This Procedure may be amended from time to time by the Board of Directors.

4. **Enforcing The Covenants and Rules of the Association.** The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association: Effective May 1, 2014.

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

2. **Complaints.**

(a) Complaints by Owners or residents shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-

written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

(b) Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or Manager.

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

4. Initial Warning Letter. If the violation is a continuous violation, meaning one that continues and is uninterrupted by time, the letter shall advise the Violator that he or she will have 30 days from the date of the letter to come into compliance without further sanction. If the violation is not a continuing one, meaning the violation is a one-time discrete violation, such as noise violations, the letter shall contain a statement advising the Violator that any additional similar violations could result in the imposition of a fine after notice and hearing.

5. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within 30 days of the warning letter or any subsequent letter, if the violation is a continuous one, such continued violation will be considered a subsequent violation. In such a case, or if the alleged Violator subsequently violates a covenant or rule previously violated and for which the alleged Violator has received a prior violation letter, a fine letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits and shall include the date, time and place of the hearing.

6. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least 30 days prior to the hearing date.

7. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an "Impartial Decision Maker". An Impartial Decision Maker is defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.

8. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator are required to be in attendance at the hearing. The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Impartial Decision Maker shall, within a reasonable time, not to exceed 10 days, render its written findings and decision, and impose a fine, if applicable. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

9. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 10

days of any letter, or fails to appear at any hearing, the Impartial Decision Maker may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.

10. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Violator and Complainant within 10 days of the hearing, or if no hearing is requested, within 10 days of the final decision.

11. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First violation: Warning Letter

Second and subsequent violations (of same covenant or rule): \$100.00

Third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing three or more violations in a 6 months month period (whether such violations are of the same covenant or different covenants) may be immediately turned over to the Association's attorney for appropriate legal action.

12. Continuous Violations. Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. For example: the failure to remove an unapproved exterior improvement or the continuous parking in a fire lane. If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a daily fine of \$100.00 each per day per violation if not corrected, following a notice and opportunity for a hearing as set forth above.

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

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

15. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

16. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

17. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

18. Amendment. This policy may be amended from time to time by the Board of Directors.

5. **Conduct of Meetings.** The Association hereby adopts the following procedures regarding the conduct of meetings: Effective May 1, 2014

1. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

A. Notice.

(1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be

conspicuously posted within the community at least 10 days prior to each such meeting, or as may otherwise be required by Colorado law.

(2) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Owner meetings to such Owner at the email address provided as soon as possible after notice is provided pursuant to the Bylaws but in no case less than 24 hours prior to any such meeting.

B. Conduct.

(1) All Owner meetings shall be governed by the following rules of conduct and order:

(a) The President of the Association or designee shall chair all Owner meetings.

(b) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).

(c) Any person desiring to speak shall sign up on the list provided at check in.

(d) Anyone wishing to speak must first be recognized by the Chair.

(e) Only one person may speak at a time.

(f) Each person who speaks shall first state his or her name and Unit address.

(g) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.

(h) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.

(i) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.

(j) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.

(k) All actions and/or decisions will require a first and second motion.

(l) Once a vote has been taken, there will be no further discussion regarding that topic.

(m) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the association.

(n) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.

(o) The Chair may establish such additional rules of order as may be necessary from time to time.

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

(1) 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 or the Secretary's designee, 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.

(2) 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 a 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 community 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.

(3) 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 Chair of the Board or another person presiding during that portion of the meeting.

(4) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

D. Proxies. Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

(1) All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- 1.1 Validity of the signature
- 1.2 Signatory's authority to sign for the unit Owner
- 1.3 Authority of the unit Owner to vote
- 1.4 Conflicting proxies
- 1.5 Expiration of the proxy

2. Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

A. Conduct.

(1) All Board meetings shall be governed by the following rules of conduct and order:

- (a) The President of the Association, or designee, shall chair all Board meetings.
- (b) All persons who attend a meeting of the Board shall be required to sign in, listing their name and Lot/Track address.
- (c) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting.
- (d) Anyone desiring to speak shall first be recognized by the Chair.
- (e) Only one person may speak at a time.
- (f) Each person speaking shall first state his or her name and Lot/Track address.
- (g) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them.
- (h) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.

(i) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.

(j) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.

(k) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

(l) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

B. Owner Input. After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the Directors, Owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion. Each Owner may speak once on any issue for no more than one (1) minute:

C. Board Action Without a Meeting.

1. Notice of Action Without a Meeting. Notice of the proposed action must be transmitted in writing to each Director. The notice must contain the following information:

(a) The action to be taken;

(b) The deadline (date and time) by which a Director must respond to the written notice;

(c) That failure by a Director to respond by the deadline stated in the notice will have the same effect as abstaining in writing or failing to demand in writing that the action be taken at a meeting.

2. Voting. By the deadline stated in the written notice, each director may:

(a) Vote in writing for such action;

(b) Vote in writing against such action;

(c) Fail to respond or vote; or

(d) Demand in writing that the action be taken at a meeting. If any Director demands, by the deadline date, that action be taken at a meeting, action without a meeting is no longer available. The Board must then hold a Board meeting to take action on such matter.

(e) Effective Date of Action. Once the deadline stated on the notice has expired, and assuming no Director demands that action be taken at a meeting, the action is deemed effective if at least a quorum of votes are received and at least a majority of such votes are in favor of the action.

(f) Electronic Communications/Authenticity of Signatures. All written communications of Directors pursuant to this section may be transmitted or received by facsimile, e-mail, or other form of wireless communication. The Association may accept any electronic vote received as valid unless it has a reasonable, good faith basis to doubt its validity.

(g) Minutes/Ratification. If action is taken pursuant to the above procedures, such action(s) shall be noted in the minutes of the next meeting of the Board and ratified at that time.

D. Executive Sessions. The members of the Board may hold a closed door, executive session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting for discussion of the following:

1. Matters pertaining to employees of the Association or the manager's contract or involving the employment, discipline, or dismissal of an officer, agent, or employee of the Association;
2. 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;
3. Investigative proceedings concerning possible or actual criminal misconduct;
4. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
5. Review of or discussion relating to any written or oral communication from legal counsel; and
6. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure.

Prior to holding a closed door session, the President of the Board, or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above.

No rule or regulation shall be adopted during a closed session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following a closed session. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

3. **Definitions.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
4. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
5. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
6. **Amendment.** This Policy may be amended at any time by the Board of Directors.

**6. Inspection and Copying of Records.** The Association hereby adopts the following Policy and Procedure for inspection and copying of Association records: Effective May 1, 2014.

1. The following are the records of the Association which shall be deemed to be the sole records of the Association for purposes of inspection by Owners:
  - A. Records of receipts and expenditures affecting the operation and administration of the Association;
  - B. Records of claims for construction defects and amounts received pursuant to settlement of any such claims;
  - C. Minutes of all meetings of Owners;
  - D. Minutes of all meetings of Board members (except records of executive sessions of the Board);
  - E. Records of actions taken by the Owners without a meeting;
  - F. Records of actions taken by the Board without a meeting, including written communications and emails among Board members that are directly related to the action so taken;

- G. Records of actions taken by any committee of the Board without a meeting;
  - H. A list of the names of the Owners in a form that permits preparation of a list of the names and mailing addresses of all Owners, as well as the number of votes of each Owner is entitled to vote;
  - I. The Association's governing documents which are comprised of:
    - (a) The declaration;
    - (b) The bylaws;
    - (c) The articles of incorporation;
    - (d) Any rules and regulations and/or design guidelines; and
    - (e) Any policies adopted by the Board, including the Association's responsible governance policies.
  - J. Financial statements for the last three years, which at a minimum shall include the balance sheet, the income/expense statement, and the amount held in reserves for the prior fiscal year;
  - K. Tax returns for the last seven years, to the extent available;
  - L. The operating budget for the current fiscal year;
  - M. A list of the Association's current assessments, including both regular and special assessments;
  - N. All financial audits or reviews of the Association during the immediately preceding three years;
  - O. A list of the Association's insurance policies, which shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed;
  - P. A list of the names, e-mail addresses and mailing addresses of the current Board members and officers;
  - Q. The most recent annual report delivered to the Secretary of State;
  - R. A ledger of each Owner's assessment account;
  - S. The most recent reserve study, if any;
  - T. Current written contracts and contracts for work performed for the Association within the prior two years;
  - U. Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
  - V. Ballots, proxies and other records related to voting by Owners for one year after the election, vote or action to which they relate;
  - W. Resolutions adopted by the Board; and
  - X. All written communications sent to all Owners generally within the past three years; and
  - Y. A record showing the date on which the Association's fiscal year begins;
  - Z. A record of all waivers of notices of meetings of Owners and of the Executive Board or any committee of the Executive Board
2. Exclusions. The Association may withhold from inspection and copying certain records as provided by Colorado law, and which shall not be deemed to be records of the Association, which shall include, but are not limited to:

- A. Architectural drawings, plans and designs, unless released upon the written consent of the owner of such drawings, plans or designs;
- B. Contracts, leases, bids or records related to transactions currently under negotiation;
- C. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- D. Records of executive sessions of the Board;
- E. Individual Lot/Track files other than those of the requesting Owners;

The Association shall withhold from inspection and copying the following records as provided by Colorado law:

- A. Personnel, salary or medical records relating to Individuals;
- B. Personal identification and account information of Owners, including bank account information, telephone numbers, e-mail addresses, driver's license numbers, and social security numbers;

3. Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, as listed above, subject to the exclusions set forth above, upon submission of a written request to the Association describing with reasonable particularity the records sought. The Association shall provide access to the requested records by:

- A. Making the requested records available for inspection and copying by the Owner within 10 days of the Association's receipt of such written request, which inspection shall be during the regular business hours of 8:00 a.m. to 5:00 p.m. at the offices of the Association as identified by the Colorado Secretary of State; or
- B. Making the requested records available for inspection and copying by the Owner during the next regularly scheduled Board meeting occurring within 30 days of the Owner's request; or
- C. E-mailing the requested records to the Owner within 10 days of the Association's receipt of such written request, if so requested by the Owner.

4. Use of Records. Association records and the information contained within the records shall not be used for commercial purposes. Furthermore, while Owners are not required to state a purpose for any request to inspect the records of the Association, the membership list may not be used for any of the following without the consent of the Board:

- A. To solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- B. For any commercial purpose; or
- C. Sold to or purchased by any person.

5. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, which have been determined to be \$0.50 per page, including the cost to search, retrieve, and copy the record(s) requested. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying any Owner copies of such 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 delivery of the 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.

6. Inspection. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or the Owner's representative.

7. Original. 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.

8. Creation of Records. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile or synthesize information.

9. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

10. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

11. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

12. Amendment. This policy may be amended from time to time by the Board of Directors.

7. **Reserve Study.** The Association hereby adopts the following policy regarding a reserve study: Effective May 1, 2014.

1. Baseline Reserve Study. The Association shall, within twelve months of the adoption of this Resolution, conduct a baseline reserve study, which will include both a physical analysis and a financial analysis as follows:

A. The physical analysis shall include:

(1) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.

(2) A condition assessment of each component on the component inventory by on-site inspection.

(3) Estimates of the remaining useful life and replacement costs of each component.

B. The financial analysis shall include:

(1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.

(2) A future funding plan to meet the requirements of the reserve study.

2. Update of the Reserve Study.

A. The Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated by a reserve study specialist at least every three years to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. In determining whether an update to the reserve study is needed more often than every three years, the Association shall consider the following:

(1) Whether the Association added or replaced any significant common elements.

(2) Whether the common elements sustained extreme wear and tear from harsh weather or lack of maintenance.

- (3) Whether local inflation for materials and labor has substantially increased.
- (4) Whether the Association has deferred any replacements or moved up replacements from the scheduled dates of replacement.
- (5) Whether reserve income and expenses have occurred as planned.
- (6) Whether there have been any new technological changes or improved product development that might result in a component change.

B. In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:

- (1) Any special or extraordinary issues facing the community (such as an increase in roof leaks or other maintenance issues).
- (2) Increased deterioration in any components beyond normal wear and tear.
- (3) Economic changes that affect the replacement cost of any component.
- (4) Whether routine maintenance of the components has been

3. Funding of the Reserve Study. The financial requirements depicted in the reserve study will be funded through regular assessments levied by the Association. The reserve fund shall be funded at a level such that the reserve fund shall at all times maintain a positive balance.

8. **Investment Of Reserve.** The Association hereby adopts the following policy regarding investment of reserve: Effective May 1, 2014

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.

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

3. Investment of Reserves. The Board of Directors of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies:

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

4. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.

5. **Investment Strategy.** The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.

6. **Independent Professional Investment Assistance.** The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

7. **Review and Control.** The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

8. **Standard of Care.** The officers and members of the Board of Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would 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 Nonprofit Corporation Act.

9. **Definitions.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

10. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

11. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

12. **Amendment.** This policy may be amended from time to time by the Board of Directors.

9. **Director Conflict of Interest and Code of Ethics.** The Association hereby adopts the following policy and procedure regarding Director conflicts of interest and code of ethics: Effective May 1, 2014.

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

2. **Definitions.**

A. "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.

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

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

3. **Loans.** No loans shall be made by the Association to its Directors or officers. Any Director 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.

4. **Disclosure of Conflict.** Any conflicting interest transaction on the part of any Director or party related to a Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or

vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

5. Enforceability of Conflicting Interest Transaction. No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if:

(a) The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;

(b) The facts about the conflicting interest transaction are disclosed or 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

(c) The conflicting interest transaction is fair to the Association.

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

(a) No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.

(b) No contributions will be made to any political parties or political candidates by the Association.

(c) No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.

(d) No Director shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.

(e) No Director shall receive any compensation from the Association for acting as a volunteer.

(f) No Director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.

(g) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.

(h) No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.

(i) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.

(j) Any Director convicted of a felony shall voluntarily resign from his/her position.

(k) No Director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.

(l) Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.

7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

8. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

9. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

10. Amendment. This policy may be amended from time to time by the Board of Directors.

11. Review of Policy. The Board shall review this Policy and the procedures contained herein periodically to determine whether any revisions or amendments to this Policy are necessary or warranted.

10. **Alternative Dispute Resolution (ADR).** The Association hereby adopts the following Policy: Effective May 1, 2014.

Except for disputes arising from the payment and collection of assessments or covenant enforcement actions, all disputes shall be subject to the dispute resolution procedures set forth in the Policy, Procedures and Guidelines for Sunset Ridge Property Owners Association.

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 beyond the requirements of the Policy, Procedures and Guidelines for Sunset Ridge Property Owners Association. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions available to either party.

11. **Septic Inspections.** Sunset Ridge is a unique subdivision which allows septic systems on one acre building sites. The County no longer allows one acre siting of septic systems. They now require a minimum of two acres for individual septic systems.

In August 1997, Sunset Ridge Home Owners Assoc. implemented a septic system inspection program. This program was implemented to protect our potable water source (wells), public health and to reduce individual maintenance costs by frequent inspections and correcting problems before they become serious and costly to correct.

This program requires an inspection every two years of all septic systems in the Sunset Ridge subdivision.

A&A Septic Service (970-726-0126) is our contractor for inspection service. Not all homes have had the initial inspection which is at the cost of the homeowner. Annual inspections are billed directly to the homeowner as inspections are performed. A&A will include an informational status report with each billing. Minimum inspection charge is \$75.00

Initial inspection includes location of the tank. The cost can vary due to system installation variances. New home construction septic tank installation:

Your contractor is responsible for setting the septic tank lids within five inches of final grade and recording the location of the tank.

Edited 14 March 2011

12. **Hearing Policy and Procedure.** The following policies and procedures are adopted by the Board of Directors of Sunset Ridge Property Owners Association (Association). The Board of Directors are authorized by the Declaration of Covenants for Sunset Ridge Subdivision for the implementation and clarification of those requirements, which are contained in the Covenant Declaration itself, and are enforceable as provided therein. The Board of Directors reserves the right to amend these policies and procedures at any time.

## 1. Purpose

Section 1.01. These policies and procedures are intended to provide Sunset Ridge property owners ("Property Owners") an opportunity for a hearing for the resolution of disputes arising between the Association and Property Owners and for the imposition of fines against Property Owners.

Section 1.02. It is not intended that these policies and procedures allow for a forum to address acts or omissions of the Association or its representatives which affect Property Owners generally. The

intended forum for such matters shall be the at regular Annual Owner's meetings of the Association

## **2. Fines and/or Corrective Action**

**Section 2.01.** Property Owners shall be subject to such fines as may be specified in writing and adopted and approved by the Board of Directors including, but not limited to, those fines provided in the Association's Policy and Procedures, as amended from time to time. To the extent not otherwise specified, a fine of not more than \$1,500 and/or corrective action may be imposed on a Property Owner for violation of any provision of the Policy and Procedures.

## **3. Notice.**

**Section 3.01.** Prior to imposition of a fine or corrective action, a Property Owner shall be sent written notice stating the amount of the proposed fine and a brief description of the violation involved and informing the Property Owner that he or she has an opportunity to have a hearing under these Hearing Policies and Procedures. Upon the earlier of actual receipt or three (3) business days following mailing or electronic email transmission, such notice shall be deemed received if sent to such Property Owner's mailing or email address as shown in the Association's records. Property Owners shall be responsible for advising the Association of any changes in mailing or email addresses.

## **4. Request for Hearing**

**Section 4.01.** Excluding matters involving the imposition of fines and subject to Section 1.02 above, a Property Owner who disputes any action of the Association or its representatives taken with respect to such Property Owner may, by written notice, request a hearing to resolve such dispute. Such notice must be addressed to the Association and must contain a full description of the disputed matter, the Property Owner's position on such matter, a summary of any evidence that may support such position and the resolution or action sought by such Property Owner. Additional information may also be required to accompany the request if specified under other requirements adopted or approved by the Board of Directors.

Section 4.02. Following receipt of notice of the imposition of a fine, a Property Owner may, by written notice, request a hearing on whether alleged violation, for which the fine is to be imposed, actually occurred and whether the Property Owner is the person to be held responsible for such violation. Such written request must be addressed to the Association, to the attention of the President of the BOD, and be received within thirty (30) days following the date of receipt or deemed receipt of the notice under Section 3.01 above. Failure to provide a timely written request for a hearing shall be deemed a waiver thereof by the Property Owner.

## **5. Hearing**

Section 5.01. Following a timely and proper request for a hearing in accordance with Article IV above, a Property Owner shall be entitled to a hearing by an impartial decision maker ("Decision Maker") as defined by applicable law and appointed by the Board of Directors from time to time. The Decision Maker may consist of, but is not limited to, one or more or all members of the Board of Directors.

Section 5.02. The Property Owner shall be informed of the location, date and approximate time of the hearing, which may be included in the notice under Section 3.01 above or may otherwise be communicated verbally or in writing to the Property Owner. The Property Owner shall be similarly informed of any change in the location, date or time of the hearing.

Section 5.03. At least seven (7) days prior to the hearing date specified in accordance with Section 5.02 above or such other date as may be notified to the Property Owner, the Property Owner must provide the Association with a summary of his or her position and any supporting evidence, together with a copy of all supporting materials upon which the Property Owner intends to rely. Such materials may include, but are not limited to, written documentation, signed written statements and photographs.

Section 5.04. The Property Owner may make a brief oral presentation to the Decision Maker summarizing his or her position and any supporting evidence provided under Section 5.03 above. Such presentation shall be limited to five (5) minutes or such longer period as the Decision Maker may determine in its sole discretion as reasonable and appropriate.

Section 5.05 for hearings involving the imposition of fines, the hearing shall address whether the alleged violation actually occurred and whether the Property Owner is the one who bears the responsibility.

Section 5.06 Subject to Section 1.02 above, for hearings not involving fines, the hearing shall

address the matter described in the Property Owners' notice under Section 4.01 above.  
Section 5.07 If the Decision Maker consists of one or more persons, its decision shall be determined by a majority of such persons. Any such person who has a direct personal or financial interest in the outcome of a matter shall recuse himself or herself and shall not be counted for purposes of determining a majority. A person shall be deemed not to have a direct personal or financial interest in the outcome if such person will not, as a result of the outcome, receive a materially greater benefit or detriment than will Property Owners generally.

Section 5.08 A Property Owner shall be provided with written notice within thirty (30) days indicating the decision of the Decision Maker. The decision of the Decision Maker shall be final.

13. **FIRE MITIGATION POLICY.** The county is requiring that all new subdivisions to develop and implement a fire mitigation plan for the subdivision. In view of the impending wildfire hazard potential to Sunset Ridge, we will require all new construction in our subdivision to comply with the county's requirement for new subdivisions. We consider this to be prudent and responsible. The added cost to comply during construction is minimal and the long term benefits are considerable. The requirements are fairly simple to implement and are covered in some detail in a handout from the Colorado State University Cooperative Extension bulletin # 6.302 titled, Creating Wildfire-Defensible Zones. <http://www.ext.colostate.edu/PUBS/NATRES/06302.pdf>

Driveways should be twelve feet wide and have a vertical clearance of twelve to fourteen feet. There should be enough turn around space to accommodate a very large pickup truck type fire truck. The requirements we will require conform to the "prescriptions" section of this document for zones 1 & 2. The prescription for zone 3 does not apply to our subdivision because of the small lot sizes in our subdivision. According to our local Colorado State Forester, our subdivision is best suited to applying the recommendations of zones 1 & 2 only. Existing lots with homes already constructed are strongly encouraged to implement these same requirements. Following is an excerpt from the bulletin mentioned above.

Prescriptions

### **Zone 1**

The size of Zone 1 is 25 feet, measured from the edges of the structure or the drip line of trees within zone 1. Within this zone, several specific treatments are recommended. Plant nothing within 3 to 5 feet of the structure, particularly if the building is sided with wood, logs or other flammable materials. Decorative rock with a vegetation barrier underlayment for example, creates an attractive, easily maintained, nonflammable ground cover. If the house has noncombustible siding, widely spaced foundation plantings of low growing shrubs or other "fire wise" plants are acceptable. Do not plant directly beneath windows or next to foundation vents. Be sure there are no areas of continuous grass adjacent to plantings in this area. Frequently prune and maintain plants in this zone to ensure vigorous growth and a low growth habit. Remove dead branches, stems and leaves. Do not store firewood or other combustible materials in this area. Enclose or screen decks with metal screening. Extend the gravel coverage under the decks. Do not use areas under decks for storage. Ideally, remove all trees from Zone 1 to reduce fire hazards. If you do keep a tree, consider it part of the structure and extend the distance of the entire defensible space accordingly. Isolate the tree from any other surrounding trees. Prune all tree branches to at least 10 feet above the ground. Remove any branches that interfere with the roof or are within 10 feet of the chimney. Remove all "ladder fuels" from beneath the tree. Ladder fuels are vegetation with vertical continuity that allows fire to burn from ground level up into the branches and crowns of trees. Ladder fuels are potentially very hazardous but are easy to mitigate. No ladder fuels can be allowed under tree canopies. In all other areas, prune all branches of shrubs or trees up to a height of 10 feet above ground (or 1/2 the height, whichever is the least).

### **Zone 2**

Zone 2 is an area of fuel reduction designed to reduce the intensity of any fire approaching your home. Follow these recommended management steps.

Thin trees and large shrubs so there is at least 10 feet between crowns. Crown separation is measured from the furthest branch of one tree to the nearest branch on the next tree (Figure 3) . On steep slopes, allow more space between tree crowns. (See Figure 4 for minimum recommended

spacing for trees on steep slopes.) (Not a factor in Sunset Ridge) Remove all ladder fuels from under these remaining trees. Carefully prune trees to a height of at least 10 feet. Small clumps of 2 to 3 trees may be occasionally left in Zone 2. Leave more space between the crowns of these clumps and surrounding trees. Because Zone 2 forms an aesthetic buffer and provides a transition between zones, it is necessary to blend the requirements for Zones 1 and 3. Thin the portions of Zone 3 adjacent to Zone 2 more heavily than the outer portions. Isolated shrubs may remain, provided they are not under tree crowns. Prune and maintain these plants periodically to maintain vigorous growth. Remove dead stems from trees and shrubs annually. Where shrubs are the primary fuel in Zone 2, refer to the Special Recommendations section of this fact sheet.

Limit the number of dead trees (snags) retained in this area. Wildlife needs only one or two snags per acre. Be sure any snags left for wildlife cannot fall onto the house or block access roads or driveways. Mow grasses (or remove them with a weed trimmer) as needed through the growing season to keep them low, a maximum of 6 to 8 inches. This is extremely critical in the fall when grasses dry out and cure or in the spring after the snow is gone but before the plants green up. Stack firewood and woodpiles uphill or on the same elevation as the structure but at least 30 feet away. Clear and keep away flammable vegetation within 10 feet of these woodpiles. Do not stack wood against your house or on or under your deck, even in winter. Many homes have burned from a woodpile that ignited as the fire passed. Wildfires can burn at almost any time in Colorado. Locate propane tanks at least 30 feet from any structures, preferably on the same elevation as the house. You don't want the LP container below your house — if it ignites, the fire would tend to burn uphill. On the other hand, if the tank is above your house and it develops a leak, LP gas will flow downhill into your home. Clear and keep away flammable vegetation within 10 feet of these tanks. Do not screen propane tanks with shrubs or vegetation. Dispose of slash (limbs, branches and other woody debris) from your trees and shrubs through chipping or by piling and burning. Contact your local CSFS office or county sheriff's office for information about burning slash piles. (We cannot recommend the following:) If neither of these alternatives is possible, lop and scatter slash by cutting it into very small pieces and distributing it over the ground. Avoid heavy accumulations of slash. Lay it close to the ground to speed decomposition. If desired, no more than two or three small, widely spaced brush piles may be left for wildlife purposes. Locate these towards the outer portions of your defensible space.

### **Maintaining Your Defensible Space**

Your home is located in a forest that is dynamic and always changing. Trees and shrubs continue to grow, plants die or are damaged, new plants begin to grow, and plants drop their leaves and needles. Like other parts of your home, defensible space requires maintenance. Use the following checklist each year to determine if additional work or maintenance is necessary.

#### **Defensible Space and FireWise Annual Checklist**

- Trees and shrubs are properly thinned and pruned within the defensible space. Slash from the thinning is disposed of.
- Roof and gutters are clear of debris (pine needles).
- Branches overhanging the roof and chimney are removed.
- Chimney screens are in place and in good condition.
- Grass and weeds are mowed to a low height.
- An outdoor water supply is available, complete with a hose and nozzle that can reach all parts of the house.
- Fire extinguishers are checked and in working condition.
- The driveway is wide enough. The clearance of trees and branches is adequate for fire and emergency equipment. (Check with your local fire department.)
- Road signs and your name and house number are posted and easily visible.
- There is an easily accessible tool storage area with rakes, hoes, axes and shovels for use in case of fire.
- You have practiced family fire drills and your fire evacuation plan.
- Your escape routes, meeting points and other details are known and understood by all family members.
- Attic, roof, eaves and foundation vents are screened and in good condition.
- Stilt foundations and decks are enclosed, screened or walled up.
- Trash and debris accumulations are removed from the defensible space.

\_\_\_A checklist for fire safety needs inside the home also has been completed. This is available from your local fire department.

14. **Property Owners and Contractors Slash Burning Policy.** The BOD of the Sunset Ridge POA adopted the following policy at a Board meeting on 9 October 2006.

Slash burning will be allowed on individual lots in the subdivision under the following conditions: Only in the winter months, defined as between November 15 and April 15. The burn must be a hand fed fire with a maximum pile size of a 6-foot diameter and a 6 foot height. All County and Fire Department regulations must be satisfied and a burn permit must be obtained from the county. In addition the following SRPOA provisions are recommended: All organic material cleaned from the burn site within a radius of 10 feet of the pile center, a minimum radius of 20 feet from the center of the pile to the drip line of the nearest tree, a garden hose charged with water at the site, cell phone (or equivalent) on the site, full time attendance of the fire, the radius needs to be soaked after the fire is out and the site needs to be checked continuously over the next 48 hours.

A fire that is limited in size to 4'x4'x4' is considered a campfire and does not require a permit and is not limited to the winter months. A garden hose charged with water and cell phone or equivalent is required at the site. Such a fire is only limited by county fire ban or POA restrictions.

Edited 7 Aug 2014  
Installed Hyperlinks Mar 2019