

Rainbow Valley Property Owners Association, Inc.

Policies, Procedures,
Rules and Regulations

August 2018

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I. INTRODUCTION AND OVERVIEW

RAINBOW VALLEY PROPERTY OWNERS ASSOCIATION, INC.

In connection with your purchase or occupancy of a Rainbow Valley property, you agreed to the provisions of the Amended and Restated Declaration of Covenants, Conditions and Restrictions ("Declaration") for Rainbow Valley Property Owners Association, Inc. (the "Association") dated October 12, 2019, and recorded as reception 722669 of the records of Teller County, Colorado. The Declaration provides a plan for individual ownership of your property, as well as co-ownership of the common areas. Its provisions are the managing guidelines for the Association's Board of Directors. In addition, the Association is governed by Amended Articles of Incorporation dated August 28, 2018 and recorded as Document 20181682810 ("Articles") and Amended and Restated Bylaws dated August 4, 2018 and recorded as reception 710505 of the records of Teller County, Colorado, (collectively referred to as "Governing Documents"). The Governing Documents, as amended, as well as rules and policies as adopted by the Board from time to time, provide guidance to owners regarding rights and responsibilities of ownership within the Association.

The Board of Directors of the Association supervises and manages the use of the common area by all Rainbow Valley residents. Board authority includes enforcing these regulations by establishing penalties for any infractions.

The information contained herein applies to owners and renters alike, except that voting rights are limited to owners. The obligation of all residents to abide by the regulations is stated in the Declaration. Each Owner is responsible for advising tenant(s) of this obligation and for notifying the Association manager in writing as to whom the privileges of residence in Rainbow Valley have been delegated.

PLEASE NOTE: These Policies, Procedures, Rules and Regulations ("Rules") are intended to restate and replace all previous rules. Owners should also be familiar with the terms of the Governing Documents. Please refer to the Association website and Article XII herein.

1. **Definition of the Common Area.**

The "Common Area" is all the land and property owned by the Association.

II. GENERAL INFORMATION

1. **Property Management Contact Information.**

See Article XII herein.

2. **Registered Agent Information.**

See Article XII herein.

III. ASSESSMENT COLLECTION POLICY

1. Owner Responsibility.

- a. Assessments are vital to fund the operations of the Association. The Association has adopted this rule (the "Rule") to promote and protect its financial strength for the benefit of all Owners. Owners are responsible for paying Assessments as provided in the Association's Governing Documents which include the Association's recorded Covenants, its Articles of Incorporation, its Bylaws and its Rules (collectively "Association's Governing Documents") as amended. In addition, Owners have a statutory duty to pay under certain provisions of the Colorado Common Interest Ownership Act ("CCIOA"); and they have a duty to read, understand and comply with the Association's Governing Documents and the applicable provisions of the CCIOA.
- b. Owners are responsible for contacting the Association and for making payments of Assessments within thirty (30) days after receiving their annual dues' billing to avoid late fees or charges. Owners must notify the Association in writing of any change in their mailing address or status within fifteen (15) days of such change. The Association shall not be liable for any errors or omissions in any billing address or payment statement to the Owner.
- c. Checks containing a restrictive endorsement on the back may, at the option of the Association, either be:
 - i. returned to the Owner and the amount tendered shall be considered unpaid; or
 - ii. deposited without waiving any of the rights and remedies of the Association to unpaid sums, whether or not the restrictive endorsement is crossed out.

2. Due Date, Interest and Late Charges.

- a. The Association's Annual Common Expense Assessment shall be due and payable within thirty (30) days after receipt of billing, and special Assessments, fines, fees and other charges shall be due on the date specified in any notice thereof.

- b. Any payment which is not received by the day after such payment is due shall be considered past due and delinquent and will be charged a late fee/administration fee to compensate the Association for the processing of a delinquent payment, which fee shall be owed by the Owner for each month such Assessment is not paid.
- c. In addition to the late fee, the Association shall be entitled to recover any and all costs of collection, including reasonable attorney's fees, as well as interest allowed by the Association's Governing Documents or any statute or law. The current interest rate for delinquent sums is set by the Association's governing documents at fifteen percent (15%) per annum.

3. **Returned Checks.**

- a. The Association will impose an administrative **fee (currently \$25.00)** for all returned checks.
- b. If notice of a returned check, draft or money order is sent as provided in C.R.S. 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the Owner who provided the returned check shall be liable to the Association for collection of three times the face amount of the check, but not less than \$100.00, and any expenses of collecting such sums.

4. **Payment Plan.**

- a. The Association is not a lender, and failure to pay Assessments imposes financial burdens on the other Owners. A payment plan may only be considered for circumstances required by law or statute, or hardship conditions that justify some sort of temporary accommodation.
- b. Any request for a payment plan must be made by an Owner in writing and delivered to the Association's Registered Agent (currently see **Exhibit XII**). The name of that agent and the Registered Address (currently see **Exhibit XII**) can also be found at the Colorado Secretary of State website.
- c. Any payment plan must be a legally binding contract, and the plan must require the Owner to pay all delinquent sums, including late fees, interest, attorney fees and other costs. The

payment plan must require that the Owner must keep all monthly payments current and must pay off the entire delinquent amount in six (6) equal monthly installments, unless a longer time period is agreed to by the Board, in writing, for extraordinary circumstances.

- d. Nothing in this Rule prohibits the Association, or a holder or assignee of the Association's debt from pursuing legal action against an Owner if the Owner fails to comply with the terms of his or her payment plan. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular Assessments as they come due during the repayment period, constitutes a failure to comply with the terms of his or her payment plan.
- e. The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan. In such cases, the Board shall have complete discretion as to payment plans, except as otherwise required by future changes to the Colorado statute.
- f. No payment plan is available if the Owner does not occupy the property and has acquired the property as a result of: (1) a default of a security interest encumbering the property; or (2) foreclosure of the Association's lien.

5. **Notice of Delinquent Assessments.**

- a. The Association may send the Owner a notice of delinquency and may charge for any notices sent to the Owners in connection with such delinquent Assessments, but the Owners are responsible for ensuring that their payments are timely and fully made, regardless of whether notice is sent.
- b. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association shall, to the extent required by statute or law, send the Owner a notice of delinquency specifying:
 - i. the total amount due, with an accounting of how the total was determined, which may be shown by enclosing a copy of that Owner's ledger;

- ii. that an opportunity to enter into a payment plan may exist in accordance with Section 4 of this Rule, in which case the Owner, if eligible, must contact the Association's Registered Agent, in writing at the Registered Address, to request a payment plan.
- iii. that the name and contact information for the individual whom the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt is the Association's Registered Agent at the Registered Address described above; and
- iv. that action is required to cure the delinquency, and that failure to do so within thirty (30) days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

6. **Payment Priority.**

Regardless of inscriptions or notations on the front or back of the check, all payments shall be applied to outstanding balances in the following order of priority:

- a. interest;
- b. late charges;
- c. attorney fees and costs;
- d. returned check charges; and
- e. unpaid Assessments, regular or special, beginning with the oldest unpaid assessment.

7. **Remedies for Collection of Delinquent Assessments.**

- a. The Association may exercise any and all rights and remedies available under the Association's Governing Documents, or under Colorado law, including without limitation, the Owner's delinquent account being turned over to a collection agency, 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.

- b. To the fullest extent permitted by the Association's Governing Documents and/or Colorado statutes, the Association may also deny rights to use Association facilities, voting rights, or other rights in the Association (including but not limited to inspection of records) until all Assessments and other sums are paid in full. In order to be an "Owner in good standing" for purposes of this Rule, and to obtain a release of liens, restoration of voting or other rights, or to terminate litigation, the delinquent Owner must make payment in full of all Assessments and other sums, including sums which arise after the collection process or after the Owner delivers a payment to the Association.
- c. To the fullest extent permitted by the Association's Governing Documents and/or Colorado statutes, the Association may (but shall not be required) proceed by filing litigation against any Owner who has not paid his assessment and, without affecting that remedy, may also file a lien against the delinquent property.

8. **Association's Collection Action through its Attorneys.**

- a. After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner shall be handled through the Association's attorney. No member of the Board of Directors has any authority to 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. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.
- b. Once accounts are turned over to the Association's attorney, Owners shall make payment to the Association at the address of the Association's attorney, and the Association shall be entitled to collect interest at the rate set forth in this Rule, from the due date of such payments, as well as reasonable attorney fees, court costs, and all other expenses of collection on said delinquent payment. The reasonable attorney fees incurred by the Association shall be due and payable from the delinquent Owner on the date(s) when such expense(s) are incurred by the Association.

- c. LIEN: Additionally, any such unpaid assessments or fines, together with all expenses of collection and attorney's fees, shall be a continuing lien upon the Lot against which such fine was made. The Board may enforce such lien by recording with the Clerk of the County a statement of lien with respect to said Lot, setting forth such information as the Board may deem appropriate. Said lien shall run with the land and shall additionally secure all assessments or fines and expenses that become due after its recording. Said lien may be foreclosed by the Board in the manner provided for foreclosures of mortgages under the laws and statutes of the State of Colorado. All rights and remedies of the Association are cumulative, and foreclosure of the lien shall not prevent a lawsuit against the Owner personally liable therefore whether taken before, after or during such foreclosure. Said lien may be released by recording an appropriate document executed by an officer or agent of the Association. Said lien is in addition to any statutory lien allowed by the Association by law. Said lien shall be superior and prior to any homestead rights or similar exemption now or hereafter provided under state or federal law to the Owner, whose acceptance of the deed to a Lot shall constitute a waiver of such homestead or other rights.
- d. PROTECTION OF LENDERS: The lien for any fine provided for herein shall be subordinate to the lien of the First Mortgage recorded before the delinquent fine was due. Sale or transfer of any Lot shall not affect the lien for said fine except that sale or transfer or any Lot pursuant to foreclosure of any such First Mortgage, or any proceeding in lieu thereof, including deed in lieu of foreclosure, shall extinguish the lien of any fine which became due prior to any acquisition of title to such Lot by the First Mortgage pursuant to any such sale or transfer, or foreclosure, of any proceeding in lieu thereof including, without limitation, any deed in lieu of foreclosure. No such sale, transfer, foreclosure, or any above-described proceeding in lieu thereof, shall relieve any Lot from liability for any fine becoming due after such acquisition of title, nor from the lien thereof, nor from the personal liability of the Owner of such Lot for fines due during the period of his ownership.

9. **Bankruptcy of Owner.**

- a. The filing of a bankruptcy action does not terminate the Association's right to collect Assessments, because:
 - i. the Association has an Assessment lien claim against the property for all past Assessments; and
 - ii. the Owner will remain personally liable for all post-bankruptcy filing Assessments, so long as they retain title to the property.
- b. Based on the above, when the Association learns that a bankruptcy action has been filed, the accounting for that property shall thereafter be based upon the filing date of that bankruptcy action (the "Petition Date"), and the Association should create two separate ledgers for the property showing Assessments owed prior to the Petition Date and after the Petition Date.

10. **Proof of Payments.**

- a. Since the records of the Association are kept in the ordinary course of business and the Association relies upon same on the behalf of all Owners, there is a presumption that those records are correct and that the Assessment is valid if there is no written dispute received by the Association within thirty (30) days after the mailing of a billing statement.
- b. An Owner who wishes to dispute the amount or the validity of any Assessment charged to his/her property must submit a statement within thirty (30) days after the mailing of a billing statement that describes all disputed monthly payments and can request information from (or request a hearing before) the Board, but must put that request in writing in accordance with this Rule.
- c. The Board may require that the Owner deliver documentation, such as cancelled checks or bank statements, to support the Owner's claims.
- d. All payments made to settle a dispute and ALL correspondence regarding payment disputes must be sent by certified mail to the Association's Registered Agent at the Registered Address. If

payment or correspondence is delivered by any other method, the Owner using that non-authorized method assumes the risk that the payment and any communication sent by that method will not be received by the Association.

11. **Certificate of Status of Assessments.**

Upon receipt of the written request described below, and the advance payment of the fee described below, the Association should furnish to an Owner or such Owner's designee a written statement setting forth the amount of unpaid Assessments currently levied against the Owner's property upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's Registered Agent at the Registered Address described above. The statement should be delivered within fourteen (14) calendar days after actual receipt of the request. The request must include payment of the Association's fee for such statements, which can be found at the Association's website, and will include the fees of the Association's attorney, if the account is delinquent and has been referred for collection. Failure to pay any delinquent Assessments or sums (including the fee), or to comply with any conditions stated in the statement should render the statement null and void. Any such statement shall be without warranty or liability to the Association.

12. **General.**

- a. Nothing in this Rule requires the Board to take specific actions at a specific time. The Board has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Board may modify the procedures contained herein as the Board shall determine appropriate under the particular circumstances.
- b. Failure of the Association to strictly comply with any provision of this Rule shall not be deemed a waiver of the Association's right to require strict compliance by the Owner and shall not be deemed a defense to payment of Assessments fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Rule nor be asserted as a claim against the Association.
- c. This Rule shall be effective as provided below, at which time it shall replace and supersede any prior rule or policy regarding Assessments, collections, liens and legal remedies; provided, however, that the Board may in its discretion suspend the

effective date of any provision of this Rule for any collection actions filed or taken prior to January 2, 2014. This Rule may be amended by the Board in the future.

- d. If any portion or provision of this Rule is found to be invalid, the remaining provisions shall continue in full force and effect.

Adopted by the Board, this 4th day of August, 2018, effective immediately.

IV. COVENANT ENFORCEMENT POLICY

The Owners of record of lots within the Subdivision and the Association Board of Directors are hereby designated as the only legal entities to enforce the above duly recorded Amended Protective Covenants of Rainbow Valley Subdivision, units 1-10 inclusive, Teller County, State of Colorado. The restrictions and protective covenants set forth herein are accepted by every Owner, grantee, purchaser, renter and user of Lots within the Subdivision, and they agree to conform to and observe these Covenants.

This Rule shall apply to any alleged violation ("Violation") of the Association's Declaration, Articles of Incorporation, Bylaws and Policies, Procedures, Rules and Regulations (collectively the "Governing Documents"), as amended, except and excluding non-payment of assessments or other sums.

The Lot Owner is responsible for the action of any person or persons renting, leasing or otherwise occupying their property.

1. **Complaints.**

- a. Initial complaints of any violation may be presented to the Board in writing or orally by any person before or at any meeting, and shall be investigated by an Investigator such as the Managing Agent or Board Member(s) or committee who has been designated to investigate such complaint ("the Investigator").
- b. It is recommended that anyone observing a Violation of the Governing Documents should notify the Association in writing or Email, and include the name and address (if known) of the person(s) in violation (the "Alleged Violator"), and the date, time, and location of the Violation. Notification should include name, address and phone number of the reporting party. Reports will be handled confidentially (within reason or unless disclosure is legally required), but the Board may require such information in order to validate any necessary legal actions.
- c. The Investigator shall, in its discretion, determine whether or not the complaint shows cause for further proceedings and is empowered to send courtesy letters concerning reported Violations and/or warnings of possible sanctions, fines and/or suspension of privileges, and/or issue a 'cease and desist' order, to the Alleged Violator. If the Investigator is unable to convince the Alleged Violator that the offending practice should be ceased, then the Investigator shall make a formal report to the Board.

The Board shall not decide the validity of the complaint at such meeting, but rather shall notify the Owner and shall set the matter for hearing at a later date (the "Notice").

2. **Notice and Scheduling Hearings.**

- a. The Board, or its officers or agents, should send the Notice by personal delivery, regular mail and/or certified U.S. Mail, return receipt requested, to the Owner, and a copy may be sent to the Owner and/or the Alleged Violator (if the name has been furnished to the Association), such as a tenant, contractor, guest or family member of the Owner. The Notice shall be deemed received by the Owner and/or the Alleged Violator three (3) days after mailing. The Notice may be sent to the property if the Owner has failed to register a current mailing address. The Notice may also be sent to the complaining party.
- b. The Notice should advise the Owner and/or the Alleged Violator that if the Owner desires a hearing to challenge or contest any Violations and/or the sanctions, fines and/or suspension of privileges, and/or to discuss any mitigating circumstances, the Owner and/or the Alleged Violator must request such hearing, in writing, to the Board, within five (5) days of receipt of the Notice. If a request for hearing is made, the hearing shall take place at the next regularly scheduled meeting of the Board of Directors. The request for hearing or other written response from the Owner and/or the Alleged Violator must describe the basis for challenging the alleged Violation or the mitigating circumstances.
- c. At the hearing, the Owner and/or the Alleged Violator has the right to have the matter heard by the Board Members, except for the Investigator or any Board Member who would receive a greater benefit or detriment from the outcome of a hearing than the general membership of the Association who will recuse themselves from acting as Members of the Board during any hearing. However, it shall be conclusively presumed that all of the Board Members, except the Investigator, are impartial decision makers.
- d. Any written statement from the Owner and/or the Alleged Violator must be received by the Board at least twenty-four (24) hours before the hearing, and must be served by personal delivery or US Mail, postage prepaid, addressed to the

Association in care of its registered agent, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing. Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the fifth day following the date of mailing. If the Owner and/or the Alleged Violator plans to be represented by legal counsel, the Owner and/or the Alleged Violator must give the Board at least five (5) days' prior written notice. If the time requirements set forth above conflict or the Board deems inappropriate in its discretion, the hearing may be re-scheduled to the next regularly scheduled meeting of the Board of Directors. Any hearing or request for hearing shall not stay the other enforcement procedures described below, unless otherwise directed by the Board of Directors.

3. **Hearing.**

- a. The primary purpose of hearings before the Board is to resolve Covenant enforcement matters as early as possible, without the expense of litigation. As a result, any Owner or alleged violator who appears at a hearing is encouraged to discuss resolution in lieu of or in addition to the hearing. If the Board believes that the Owner/Violator is acting in good faith and that there is a realistic chance of resolution, the Board may reschedule the hearing and attempt to use the remainder of the time that was originally scheduled for a hearing for the alternative dispute resolution described in the Association's Rules. However, if at any time the Board, in its sole judgment, believes that delay will harm the interests of the Association, it may proceed with the hearing.
- b. Hearings shall be conducted by Board Members, except the Investigator. As a result, any Board Members who would receive a greater benefit or detriment from the outcome of a hearing than the general membership of the Association shall recuse themselves from acting as Members of the Board during any hearing. If disqualification of any Board Member(s) results in an even number of remaining Board Members eligible to hear a case, the Presiding Officer may appoint an impartial Association Member, in good standing, to serve as a voting Member of the Board for that hearing.
- c. Hearings shall be held in executive session because they may involve privacy and/or possible litigation issues. The Board may

exclude any person other than the Owner or Alleged Violator and witnesses, when testifying.

- d. At the hearing, the Board may consider any written or oral information produced by the Owner, the Alleged Violator or other interested party. Any legal or statutory rule of evidence or procedure shall not apply to the hearing, and the Board may restrict testimony or proceed in any manner or order which it deems appropriate in its discretion. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence shall be sufficient in itself to support a finding. The Board may tape record or otherwise transcribe the hearing. The Board may proceed with the hearing even if the Owner fails to appear or refuses to participate or to submit information. The Owner and/or the Alleged Violator may be represented by legal counsel so long as said Owner and/or the Alleged Violator gives the Board at least five (5) days' prior written notice, in which case the Board's attorney may be present as well. Any participant may question any witnesses and examine any documents presented at the hearing.
- e. After hearing any information, witnesses, or documents presented at the hearing, the Board's decision shall be made by majority vote of the Board Members present. If requested by the Owner and/or the Alleged Violator, the Board will furnish a brief summary of the decision and the sanction, if any, which may be sent by regular mail to the Owner and, if requested or the Board deems it necessary, to the Owner and/or the Alleged Violator. The Board may also issue and record a Notice of Finding of Violation with the County Clerk and Recorder, and release same upon satisfactory compliance with the Governing Documents.

4. **Extent of Violations.**

Each incident or each day of a continuing Violation shall be considered a separate violation for which any maximum fine may be imposed. For example, each day during which a pet or a sign is permitted to remain is a separate Violation. The Board may in its discretion impose increased fines for repeated or intentional Violations.

5. **Parties to Violations.**

Owners shall be responsible for Violations committed by their contractors, guests, family members, and tenants, for example, pets kept by tenants or signs placed by real estate agents. The Board may proceed against both the Owner and the Alleged Violator, simultaneously or separately, and actions against one shall not bar action against the other. The Board may contact the police, any regulatory or licensing authorities or other third parties regarding the alleged Violation, but any action or decision by those parties shall not bar the Board from proceeding.

6. **Fines and Sanctions.**

a. Any Violation of the Governing Documents will subject the Owner and/or the Alleged Violator to a reasonable fine assessment imposed by the Association as follows:

- First time or minor Violations: \$50
- Repeated minor Violations: between \$50 - \$100
- Repeated or flagrant Violations: between \$50 - \$250
- Open fire Violation: up to \$2,000

In the event of a continuing Violation, each day is a separate Violation and a daily fine may be levied, but only if the Association's agent performs a daily inspection to verify the Violation is continuing.

b. This schedule is not intended to cover all possible Violations, and there are instances where the amount of fines may vary depending on the circumstances. The amount of the fines are intended to bear a reasonable relationship to the actual harm that is being caused; the potential risk of loss to the Association if compliance does not take place; the costs of investigative demand letters and hearings to ensure compliance; and the cost of remedial measures (if used).

c. Repeat offenses and/or repeat offenders will justify higher fines. Fines should also be commensurate with the time and effort of the various Board members in investigating and gathering evidence of Violations, sending demand letters and conducting hearings. The above schedule is (at most) an attempt to ensure uniformity for routine violations.

- d. Fines will be due and payable within thirty (30) days of the date of the imposed fine, and shall be considered delinquent after the due date. A delinquent fine will result in a lien being filed on the property for nonpayment and will bear interest at fifteen percent (15%) per annum, calculated from the date of the fine, as well as late fees and legal fees.
- e. Any fine shall be both a personal obligation of the Owner and/or the Alleged Violator or both and shall also be an assessment creating a lien which may be recorded against the property and may be foreclosed as provided in the Declaration. The Board may notify any lender and credit agency of such obligation and lien. Additionally, the Board may bring legal action to enforce the violated provision and to recover the fine.
- f. Any Violation shall entitle the Board to recover from the Owner and/or the Alleged Violator or both, reasonable attorney fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted or is successfully concluded. The Board may seek to recover such fees and costs by all legal remedies, including without limitation, charging such fees and costs to the Owner's account with the Association.
- g. The Board, in its discretion, may waive fines, attorney fees, court costs, interest and other collection expenses, if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may consider a waiver of the entire fine, or any portion thereof, upon the Owner and/or the Alleged Violator coming into compliance with the Declaration, Bylaws or Rules.
- h. The Board reserves the right to fine for first Violations of Rules that involve health and safety issues and other Violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the above schedule, if the Board determines that the fines set forth in the schedule are not likely to provide effective incentives to induce compliance.
- i. Payment of an assessed fine does not relieve the Owner and/or the Alleged Violator from the responsibility of correcting the Violation.

7. **Other Enforcement Actions.**

If the actions described above do not cure the default, or in the event of emergency, health or safety reasons, the Association will thereafter have the right (but not the obligation) to undertake whatever actions are reasonably necessary to remedy such Violation, including:

- a. The right to access the real property, but not enter any Owner's personal residence or structures erected on such real property for the purpose of correcting the default, in which case the party performing such action shall not be liable for any losses, costs or damages to any Owner of any Lot on account of its performance of such action except for any such loss, cost or damage caused by the party's gross negligence or willful misconduct. Said right of access shall include, but is not limited to, the right to, remove any nuisance or otherwise undertake action to cure the breach or otherwise bring the property into compliance; and/or
- b. The right to file an action in any court of competent jurisdiction to cure Violations of the Governing Documents or to obtain injunctive relief against any Owner and/or the Alleged Violator, any of their agents, contractors or assigns, enjoining any activity which is in violation of the Governing Documents. If any such action is brought by the Association, it shall not be required to post any bond as a condition to the granting of any injunctive relief (including a preliminary injunction or temporary restraining order), nor shall the Association's right to such injunctive relief be affected by arbitration provisions in any contract executed by such Owner, tenant or their agents.

8. **Other Remedies for Failure to Pay Fines/Charges.**

In the event the Association elects to remedy Violations or take other action pursuant to Sections 3 through 7 above, the Association will submit all charges incurred for same to the Owner or persons responsible for the property upon which or for whose benefit such costs were incurred. If the Association's fines or costs have not been paid after expiration of thirty (30) days after the date they become due, the Association may thereafter, in addition to all other remedies:

- a. deny rights to use the Association facilities (such as the recreational areas), and/or voting rights, or other rights in the Association (including the right to inspect records and documents); and/or

b. the aggrieved owner of record or the Association Board of Directors shall prepare a written notice of lien setting forth the amount of unpaid indebtedness, the name of the Owner-Violator, and legal description of his real property interest. Such notice shall be signed by the aggrieved owner or President of the Association and recorded in the office of the Clerk and Recorder of Teller County, Colorado. Such lien for the common expenses shall attach from the date of the injunction. Such lien may thereafter be enforced by the foreclosure of the Owner's real property interest by the aggrieved Owner or the Association in like manner as a Deed of Trust on real property. In any such notice of lien proceeding, the Owner-Violator shall be required to pay the costs, expenses, and the attorney fees of the aggrieved Owner or the Association incurred in filing the fees of the aggrieved Owner or Association shall be paid by the Owner-Violator. The lien shall be subordinate to the lien of any deed of trust or mortgage as provided by section above.

9. **Responsibility.**

Owner(s) shall be responsible for Violations committed by their guests, contractors, family members, agents or tenants. The Board may proceed against the Owner, the individual violating the Governing Documents, or both, and may suspend the rights of said Owner(s) for so long as a Violation continues or the fines or costs assessed pursuant to the Governing Documents remain unpaid.

10. **Rights.**

All rights and remedies set forth hereinabove shall be in addition to, and not in lieu of, any other rights and remedies which any Owner and/or the Alleged Violator may have to personally enforce the Governing Documents. All such rights and remedies shall be cumulative, and the exercise of any one or more of such rights and remedies shall not be deemed an election precluding the exercise of any of the others.

11. **Substantial Compliance.**

Technical irregularities or defects in the complaint, Notice or other compliance with this Rule shall not invalidate the proceedings or any fine or sanction imposed. This Rule shall be liberally construed to

accomplish prompt, effective enforcement of the Association's Declaration, Articles of Incorporation, Bylaws and Rules.

12. **Board Resolves Questions of Construction.**

If any doubt or questions shall arise concerning the true intent or meaning of any of the Governing Documents, the Board shall determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect and application of the provision. These determinations will thereafter be binding on all parties so long as it is not arbitrary or capricious, and they may be filed for record with the Clerk and Recorder of Teller County.

Adopted by the Board, this 4th day of August, 2018, effective immediately.

V. MEETINGS POLICY

1. Conducting Board Meetings.

Meetings of the Board of Directors shall be conducted in accordance with all of the Association's Governing Documents and the Colorado Common Interest Ownership Act, and the Colorado Revised Nonprofit Act.

Board of Director Rules for conducting meetings:

RAINBOW VALLEY PROPERTY OWNERS ASSOCIATION, INC. BOARD OF DIRECTORS MEETING RULES OF ORDER

Officers and Directors of the Rainbow Valley Board are organized and bound to represent the residents and property owners of the Rainbow Valley subdivision to the best of their abilities, as a covenant-protected community. To ensure the most effective and organized meetings to conduct business in support of this requirement, we adopt the following relaxed Roberts Rules of Order to be maintained during monthly meetings.

Roberts Rules of Order Rainbow Valley Board Meetings

Members are bound to maintain these rules, such that no individual other than the President controls the meeting and all members have the opportunity to be heard:

- Avoid personalities and stay on the subject being discussed.
- Remain courteous and respectful at all times.
- The President is chairman and maintains control of the meeting.
- Members may be referred to by name rather than Chairman or speaker.
- Speakers must raise their hand and be recognized by the President before speaking.
- Exceptions to raising hand recognition are:
 - Point of Order
 - Point of information
 - Point of Privilege
 - Consider by paragraph
 - Orders of the Day

Once a member has raised any of the above five rules, the President recognizes the member with "State your justification or reason"; the member then states the justification or reason and the President rules the point. The President's rule or instruction stands and is not debatable. An objection to the President's rule may be raised but not overturned without a majority vote.

- Topics of business for upcoming meetings require a Move and Second to add to the agenda, and must have a defined purpose.
- The member bringing a specific order of business to an agenda is always allowed to speak first in favor of the subject, but may only speak again

after other members are finished speaking unless called on by the President.

- The President maintains meeting control, recognizing speakers, and controlling debates to the rules.
- Each member is limited to no more than three minutes to present their comments and or documents to support their support or disagreement.
- When debate is concluded, the President calls for a motion to approve the item of business. The motion must be seconded or the motion is lost.

FIXED ORDER OF BUSINESS FOR MEETINGS

- **Meeting Called to order**
- **Notation from the Secretary of members present**
- **Reading of Minutes of Last Meeting**
- **Corrections to minutes, then motion to approve as read or approve as amended**
- **President's Report, summary, and or expectation for order of meeting business**
- **Officers' Reports**
- **Treasurer's Report, comments and or debate**
- **Committee reports**
- **Agenda business designated for discussion**
- **New Business, motion to add to agenda for next meeting**
- **Announcements**
- **Adjournment**

The Rules

- **Point of Order:** Infraction of the rules, or improper decorum in speaking. Must be raised immediately after the error is made.
- **Point of Information:** Used for information desired from the speaker; "I would like to ask the speaker a question."
- **Point of Privilege:** Pertains to noise, personal comfort, such as cold or hot room, etc.
- **Consider by Paragraph:** Used when multiple topics are under consideration from the same document. Limits debate to a single issue before moving on to or combining multiple topics under consideration.
- **Orders of the day:** Agenda; A call to adhere to the agenda (a deviation from the agenda requires suspending the rules by motion and majority approval)
- **Main Motion:** Brings new business to the next agenda
- **Amend:** Inserting or striking out words or paragraphs, or substituting whole paragraphs or resolutions
- **Withdraw/Modify motion:** Applies only after motion is stated ready to vote. Mover can accept an amendment without obtaining the floor.
- **Commit/Refer/Recommit to Committee:** State the committee to receive the motion or resolution; if no committee exists, include size of committee desired and method of selecting the members (election or appointment).
- **Limit Debate:** Closing debate at a certain time, or limiting to a certain period of time

- **Postpone to a certain time:** State the time the motion or agenda item will be resumed
- **Object to consideration:** Objection must be stated before discussion or another motion is started
- **Lay on the Table:** Temporarily suspends further consideration/action on pending question
- **Take from the Table:** Resumes consideration of item previously 'laid on the table' – state the motion to take from the table
- **Reconsider:** Can be made only by one on the prevailing side who has changed position or view
- **Postpone Indefinitely:** Kills the resolution for this session – exception; the motion to reconsider can be made this session
- **Appeal the decision of the chair:** Appeal for the members to decide – must be made before other business is resumed; NOT debatable if relates to decorum, violation of rules of order of business
- **Suspend the rules:** Allows a violation of the Board's own rules (except Bylaws); the object of the suspension must be specified
- **How the Rules are used**

Objective	You Say	Interrupt speaker	Second needed	Debatable	Amendable	Vote needed
Adjourn	"I move that we adjourn"	No	Yes	No	No	Majority
Recess	"I move we recess until.."	No	Yes	No	Yes	Majority
Complain about noise, room temp,etc.	"Point of Privilege"	Yes	No	No	No	President Decides
Suspend further consideration	"I move that we table.."	No	Yes	No	No	Majority
End Debate	"I move the previous question"	No	Yes	No	No	2/3
Postpone consideration	"I move we postpone this until.."	No	Yes	Yes	Yes	Majority
Amend a Motion	"I move that we amend this by.."	No	Yes	Yes	Yes	Majority
Introduce New Business	"I move that..."	No	Yes	Yes	Yes	Majority

The above listed motions and points are listed in established order of precedence. When any one of them is pending you may not introduce another that is listed below it in the table, but you may introduce another above it in the table

Objective	You Say	Interrupt speaker	Second needed	Debatable	Amendable	Vote needed
Object to procedure or personal affront	"Point of order"	Yes	No	No	No	President Decides
Request Information	"point of Information"	Yes	No	No	No	None
Object to considering an Undiplomatic or improper matter	"I object to consideration of this matter due to..."	Yes	No	No	No	2/3
Take up a matter previously tabled	"I move we take from the table..."	Yes	Yes	No	No	Majority
Reconsider Something already disposed of	"I move we now(or later) reconsider our action relative to."	Yes	Yes	Only if original motion was debatable	No	Majority
Consider something out of it's scheduled order	"I move we suspend the rules and consider..."	No	Yes	No	No	2/3
Vote on a ruling by the President	"I appeal the Presidents decision"	Yes	Yes	Yes	No	Majority

The motions, points and proposals listed above have no established order of preference. Any of the may be introduced at any time, except when meeting is considering one of the top three matters listed in the Top chart (Motion to adjourn, Recess or Point of Privilege.

2. **Conducting Annual or Special Meetings of the Members.**

- a. Association meetings shall be conducted in accordance with the Association Documents, especially the Association Bylaws, and in accordance with the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act. In addition, all meetings may be conducted in accordance of *Robert's Rules of Order* at the option of the President.
- b. At all meetings, Members are expected to maintain proper behavior and decorum, which requires that Members shall:
 - i. Be respectful to others present and to the meeting process;
 - ii. Refrain from name-calling, use of foul language, and other aggressive behavior;
 - iii. Differentiate statements of opinion from statements of fact;
 - iv. Speak only when acknowledged by the President or Chair; and
 - v. No alcohol shall be brought to meetings.

If a Member fails to observe the above standard, demonstrating inappropriate behavior which negatively impacts the Board or Association's meeting(s), the President shall issue one warning to the Member. If inappropriate behavior continues, the Member may be asked to remove himself or herself from the meeting. If the Member refuses to comply, the meeting may be adjourned at that time, even though there are agenda items not yet heard; or the President may take other action, at the sole discretion of the President, including request for law enforcement assistance to remove the Member from the meeting.

3. **Owner Participation at Board Meetings.**

- a. Owner members may attend any meeting of the Board of Directors. Owners who wish to discuss a certain issue, complaint, or request shall submit such in writing, at least five (5) days prior to the Board meeting. No action shall be taken upon such matters unless a motion is made stating the proposed action and is seconded by members of the Board prior to

discussion. The Board reserves the option to respond to any new business at the next Board meeting in order to investigate and/or obtain advice to respond to the Owner.

- b. To ensure meetings are conducted in an efficient manner, giving time and attention to matters at hand, all meetings are conducted in accordance with Roberts Rules of Order.
- c. The President will state the appropriate period of time at the beginning of the meeting, and prior to any vote by the Board, for Owner members or their representatives to speak on any matter, including items shown on the agenda. Unless a longer period of time for Owner member items for discussion is stated by the President at the beginning of the meeting, Owner members are allowed 20 minutes total for all discussions.
- d. After the allotted time has concluded, the Board will move to execute the order of Business to the Agenda at hand. Owner members who are not Board members may stay throughout the entire period of the Board meeting, but may not participate in any deliberation or discussion of the Board, unless expressly authorized by a majority of a quorum of the Board so present.
- e. Owner members are required to enter their names and purpose of attending the Board meeting on a sign-in sheet provided by the Board. The purpose of attending shall be the specific item intended for discussion, including items on the agenda. Owner members wishing to attend without a specific item for discussion may attend the meeting, but may not introduce an item for discussion after the meeting has started. Owner member discussion periods shall be conducted as follows:
 - i. Only persons who have entered their names on the sign-in sheet are allowed to speak;
 - ii. Speakers will be called upon to speak in the same order in which they entered their names;
 - iii. Each person shall have three (3) minutes to speak;
 - iv. Such period of discussion for the matter at hand shall not exceed a total of 20 minutes or a longer time as allotted at the beginning of the meeting by the President;

- v. Priority will be given to items shown on the agenda, if any; and
 - vi. If more than one person desires to address an issue, and there are opposing views, the President shall allocate the time permitted for discussion among the various owners or designated representatives to speak.
- f. At all meetings, Members are expected to maintain proper behavior and decorum, which requires that Members shall:
- i. Be respectful to others present and to the meeting process;
 - ii. Refrain from name-calling, use of foul language, and other aggressive behavior;
 - iii. Differentiate statements of opinion from statements of fact;
 - iv. Speak only when acknowledged by the President; and
 - v. No alcohol shall be brought to the meeting.
- g. If a Member fails to observe the above standard, demonstrating inappropriate behavior which negatively impacts the Board meeting(s), the President shall issue one warning to the Member. If inappropriate behavior continues, the Member may be asked to remove himself or herself from the meeting. If the Member refuses to comply, the meeting may be adjourned at that time, even though there are agenda items not yet heard; or the President may take other action, at the sole discretion of the President, including request for Law enforcement assistance to remove the Member from the meeting.

Rainbow Valley Property Owners Association, Inc.

Board of Director's Meetings

Guest Sign-in Form

Date _____

Name:

**Purpose for Attending Meeting,
Specific Matter for Discussion:**

4. **Owner Participation at Annual and Special Meetings of Owners.**

The Board shall determine the agendas for the meetings, subject to any requirements in the Association's Governing Documents, and distribute such agendas with notices of the meetings. Owners who wish to call a special meeting shall submit a written request accompanied by signatures or validated proxy signatures of 20% of the total membership.

- a. The President (or such other person as may be designated by the Board) shall preside over all meetings. Items of business and/or discussion must be presented by Motion and such Motion must be seconded prior to discussion.
- b. Any Owner or designated representative of Owner may speak at the designated time in the agenda upon any issue requiring a vote of the Owners (prior to any vote). Upon being recognized, the Member must state his/her name and address.
- c. The total length of any time for Owners or designated representatives speaking on a single issue of any meeting of the Owners shall not exceed the time set forth by the President at the beginning, but not exceeding a time limit of twenty (20) minutes total, and the President shall pro-rate that time among the various Owners who speak.
- d. Each member who wishes to speak will be given three (3) minutes to speak, provided the President may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the President's discretion.
- e. All issues that an Owner wishes to discuss at the annual meeting shall be submitted to the Board in writing five (5) days prior to the annual meeting. Any motions must be seconded prior to discussion and voting.
- f. In any case where the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association; or the Board may adjourn to obtain a

recommendation whether to proceed; such determination may be made following consultation with legal counsel.

5. **Notice of Meetings.**

- a. Board Meetings: Notice of Board Meetings shall be given in accordance with the Association Documents.
- b. Owners Meetings: Notice of Owners Meetings shall also be given in accordance with the Association Documents, but in addition, notice of such shall be physically posted in a conspicuous place (to the extent such posting is feasible and practical) and may be given by electronic posting on the Association's website or electronic mail notices pursuant to C.R.S. § 38-33.3-308. If a Member requests notice by e-mail only and provides an e-mail address, the Board shall make an effort to provide e-mail notice to that Member.
- c. The notice of any meeting must state the time and place of the meeting and the items on the agenda. If the meeting will include any of the following actions, the Notice, agenda or some other method (such as the website) should include:
 - i. the general nature of any proposed amendment to the Declaration or Bylaws;
 - ii. any budget changes; and
 - iii. any proposal to remove an officer or member of the Board.
- d. Notice will only be sent to Members in good standing who are entitled to vote at a meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail, addressed to each Member at such Member's address as it appears in the records of the Association, with postage thereon prepaid.
- e. Any Member may waive notice of any meeting before, at or after such meeting. The attendance in person or by proxy of a Member at a meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

- f. Any notice that conforms to the above requirements is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered.
- g. If an annual, regular, or special meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under C.R.S. 7-127-106, however, notice of the adjourned meeting must be given under this section to the Members of record as of the new record date.
- h. The Board may fix the record date for determining the Members entitled to notice or to vote at any Members' meeting or to exercise any rights in respect to any lawful action pursuant to C.R.S. 7-127-106 or otherwise. Such record date may not be more than fifty (50) days before the meeting or action requiring a determination of Members occurs. Unless otherwise directed by the Board, the Association shall not be required to prepare the list of names described in C.R.S. 7-127-201.

6. **Proxies.**

- a. One vote per Lot may be cast pursuant to a proxy duly executed by an Owner. If a Lot is owned by more than one person, only one vote is allowed per Lot and/or protest from the other Owner is brought forth. Disputes that may not be resolved invalidate such vote. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association or as otherwise provided below. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides a shorter term, or is designated good until revoked.
- b. A Member may appoint a proxy by transmitting or authorizing an electronic transmission providing a written statement of the appointment to the proxy, to a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association; except that the proxy must be received by the individual designated on the notice of meeting no later than 11:59 p.m. the day before the meeting date, with written

evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

- c. An appointment of a proxy is revocable by the Member. Appointment of a proxy is revoked by the person appointing the proxy:
 - i. By attending any meeting and voting in person; or
 - ii. By signing and delivering to the Secretary or other officer or agent authorized to tabulate proxy votes a written statement that the appointment of the proxy is revoked or a subsequent appointment form.
- d. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. A proxy shall not be valid if obtained through fraud or misrepresentation. The Association is entitled to reject a proxy appointment if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Member.

7. **Voting.**

- a. Only those Owners of a Lot who are in good standing are eligible to vote and only one vote is allowed per Lot. For purposes of this policy, the Board may suspend the vote allocated to a Lot and the right of an Owner to cast such vote, or by proxy the vote of another, during any period in which such Owner is in default in the payment of any Assessment, or, after notice and a hearing, during any time in which an Owner is in violation of any other provision of the Governing Documents.

Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. If an election or vote is to be held, the Member will be given the appropriate number of ballots, unless the voting rights have been suspended, in which case Members shall not be given a ballot.

- b. Any ballot for the contested election of Directors shall be a secret ballot. At the discretion of the Board or upon the request of twenty percent (20%) of the Lot owners who are present at the meeting or represented by proxy, if a quorum has been

achieved, a vote on any matter affecting the Association on which all Members are entitled to vote shall be by secret ballot. If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

- c. Each voting Member is entitled to one vote on each matter submitted to a vote of the Members entitled to vote thereon. Cumulative voting shall not be allowed. The right to vote of any Member which is a corporation or unincorporated association may be exercised by such officer, agent or proxy as the bylaws, constitution or other governing instrument of such corporation or association may prescribe or, in the absence of such provision, as the board of directors of such corporation or association may determine.
- d. If only one of the multiple owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast the one vote allocated to that Lot. If more than one of the multiple Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is a majority agreement if any one of the multiple owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.
- e. The Association Secretary shall be in charge of providing secret ballots, which protect the voters' privacy, but also provide for the security of the election. The Association Secretary, if not a Board member, shall constitute a neutral third party to count the ballots. If no neutral party is available, the ballots may be counted by a committee of volunteers, who shall be Owners 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, provided however, that said volunteers shall not be Board members and, in the case of a contested election, shall not be candidates.
- f. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Owners participating in such vote.
- g. As used in the Bylaws, the term "*majority of Members*" shall mean fifty-one percent (51%) of the combined votes cast by all Members present plus proxy at a meeting containing a quorum.

8. **Executive Sessions.**

The Association's Board may meet in executive closed sessions to discuss matters pertaining to employees, consultation with legal counsel, investigative proceedings concerning possible or actual criminal misconduct, matters which are subject to specific constitution and statutory or judicially imposed requirements protecting the proceedings, any matter of disclosure which would constitute an unwarranted invasion of individual privacy, and a review and/or discussion relating to any written or oral communication from legal counsel.

Prior to holding an executive session, the President or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above. The Board will take no final action in executive session, but it may give direction to legal counsel therein. Any proposed Rule or Regulation discussed during an executive session may be validly adopted only during a regular or special meeting, or after the Board returns from its executive 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. The Board Members and other Members shall preserve attorney-client privilege regarding consultation and communications from legal counsel.

Adopted by the Board, this 4th day of August, 2018, effective immediately.

VI. PROCEDURE FOR ADDRESSING DISPUTES

At the Board's discretion, the Association may, but shall not be required to, submit any dispute between the Association and Owner(s) to mediation, arbitration, or other alternative dispute resolution device; provided, however, that the Association reserves all rights to seek equitable and legal relief through any court having jurisdiction over the dispute.

1. In the event of any dispute between any Lot Owner and the Association, the Lot Owner and the Board are to communicate with each other with the purpose of resolving the issue in accordance with and adherence to the Association's Declaration of Covenants, Articles of Incorporation, Bylaws, Rules and Regulations, Policies, and Resolutions.
2. In the event a dispute is not resolved through discussion, the Lot Owner and Association are encouraged to seek an independent third party to help the Lot Owner and Board resolve the issue so as to avoid costly legal proceedings.
3. In the event a dispute is not resolved in these manners, all parties retain the right to pursue all actions, including legal proceedings that are available to either party.

Adopted by the Board, this 4th day of August, 2018, effective immediately.

VII. RECORDS POLICY

1. Association Records Policy.

- a. The Association shall retain and produce to Owners the records required by C.R.S. 38-33.3-317 and 38-33.3-209.4 (the "Statutory Records Law"), as well as any other records specifically set forth in the Association's Declaration or Bylaws. The Association's Board of Directors ("Board") may adopt, in its discretion, a List of Association Records setting forth the records which may be available for inspection.
- b. Owners may inspect those records as provided by the Statutory Records Law so long as the Owner is in good standing. For the purposes of this rule "good standing" of an Owner requires that the Owner has paid all assessments and other sums due to the Association and is not in violation in any of the Association's documents.
- c. The right to review the Association's records shall not include personal emails of officers and directors unless such persons authorize their use for the Association's purpose. The right to review includes only the existing records and it does not require the Association to create documents, and the Association is not obligated to compile or synthesize any information.

2. Examination Procedure.

- a. Subject to the exclusions and limitations set forth herein, maintained records must be available for examination and copying by Owner or an owner's authorized agent. These documents may be made available by posting on the Association's website, which may be password protected to permit access only by Owners in good standing.
- b. Owners must submit a written request describing with reasonable particularity the records sought, at least ten (10) days prior to production of the documents to the Association's Secretary (currently see Exhibit XII, herein). The use of the attached "**Document Request Form**" is recommended as it will avoid delay, by insuring all requirements for requesting records are met (if completed properly); and it has the mandatory wording for requests made for records described in Sections 3 and 4 below.

- c. The requested records will be made available as reasonable time available to copy and provide to the requesting member, or at the next regularly scheduled Board meeting, if the meeting occurs within thirty (30) days after submission of the request. Owners who desire to examine Association records must make a mutually acceptable appointment with the Secretary and designate the estimated amount of time requested for records examination.
- d. The Association may impose a reasonable charge, which may be collected in advance to cover the costs of labor, including labor to use, retrieve, observe, copy and deliver records, and/or legal counsel expenses, if required to produce such records, and the cost of material for copies of Association records. Maintaining the Association Records is an important function of the Association, and in order to ensure that records are not tampered with, removed or destroyed, an agent of the Association or other person designated by the Board may remain present while Owners examine Association records, and the Association may charge for any labor of such individual.
- e. The Owner shall not remove any document from the Association's records, nor shall the Owner remove records from the Association's place of business. Certain records may be copied, at the Owner's expense. During an inspection, the Owner may designate such records for copying by use of tab, clip, or Post-It note upon the pages desired, but may not otherwise alter the records (for example, no folding, pencil or pen marks, etc.). The Secretary, on behalf of the Association, will make the copies.
- f. Reasonable effort will be made to accommodate the Owner within a reasonable period of time. If possible, the custodian shall make an appointment with the Owner at a place and a time convenient to both parties to conduct the inspection. All appointments for inspection will be limited to one (1) hour unless otherwise agreed by the Board member; if additional time is needed, additional appointments will be made.
- g. All persons inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the normal operation of the place where the inspection or copying is taking place.

- h. Copies should be available within twenty (20) working days of receipt of the request, unless the condition or voluminous nature of the records makes this time frame impractical. In such cases, the copies should be made available as soon as is practical.
- i. Depending on the number of pages requested, the records custodian may request that the Owner return at a later date to pick up the requested copies, in order to allow personnel to set aside time to reproduce the documentation requested.
- j. A right to copy records under this Rule 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. Any applicable charges shall be collected in advance.
- k. All persons inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the operation of the normal location where the inspection or copying is taking place.

3. **Records that may be withheld from inspection and copying.**

The following records may be withheld to the extent that they are (or may concern) the following:

- 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 an executive board; or
- f. Records of individual properties other than those of the requesting owner.

4. **Limitations as to use of membership list.**

No membership list may be obtained or used for any of the following purposes without written consent of the executive board:

- a. For a purpose unrelated to an Owner's interest as a Property Owner;
- b. For the purpose to solicit money or property unless such money or property will be used solely to solicit votes of the Owners in an election to be held by the Association;
- c. For any commercial purpose; or
- d. For sale to or purchase by any person.

5. **Records that must be withheld.**

The following records are not subject to inspection or copying:

- a. Personnel, salary, or medical records relating to specific individuals; or
- b. Personal identification and account information of Owners, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

6. **Document Request Form.**

It is the obligation of every Owner to hold all information requested pursuant to Sections 3 and 4 above in appropriate confidentiality so that information is not released to other parties or misused by others. As a result, any Owner requesting an ownership list or records that may be withheld must furnish a sworn statement to verify:

- a. that he/she will not use the list for the purposes stated in Subparagraph b. through d. of Section 4 above; and
- b. that in the event any information described in Section 3 above is requested and is used for any improper purpose, he/she will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and shall be

subject to all enforcement procedures available to the Association through its Governing Documents and/or Colorado law.

7. **Seller Disclosures.**

- a. Upon written request complying with this Rule, an Owner who is selling his/her property shall either provide to the buyer or authorize the Association to provide to the buyer, upon payment in advance of the Association's usual fee pursuant to C.R.S. 38-33.3-317(4), all of the Association's Governing Documents and financial documents, required by the most recent available version of the Contract to Buy and Sell Real Estate promulgated by the Colorado Real Estate Commission as of the date of the contract.
- b. To request written copies of the above records, the Owner or the Owner's agent must follow the rules and procedures listed under Section 2 above, and must pay in advance the copying charges described in Section 2(e) above. If records are available on a website, the Owner or Owner's agent should use that website to obtain the records.
- c. Furthermore, the Owner has the responsibility to obtain from the buyer a signed acknowledgement of receipt of the required information and disclosure statement. The Owner is then responsible for delivering the signed acknowledgement to the Association as soon as possible after it is acquired. ***The Association uses reasonable efforts to provide copies, but shall have no liability for the information provided, nor for compliance with any deadlines or other contractual requirements.***

8. **Enforcement of Rule.**

- a. Any violation of this Rule shall cause the immediate suspension of the inspection or copying until the violator agrees in writing to comply with this Rule, as well as other remedies such as fines. The Board or its representatives may take any available legal action to enforce this Rule.
- b. The Association will not honor any requests for inspection or copying that do not comply with this Rule, but the Association may send a written notice to the person who made the request

indicating the nature of any noncompliance. Anyone who receives an oral request for inspection or copying should refer the person making the request to this Rule, and the Association or its representatives will have no further obligation to respond until it receives a proper written request.

- c. The Board shall be entitled to resolve any dispute regarding the Association's records based upon the Board's reasonable business judgment.
- d. **The Association shall not be liable for the disclosure or copying of any records which are required to be provided by statute or judicial proceeding. The Association does not warrant or represent the accuracy, completeness, or any other matter in the records provided.**
- e. The Board may, in its discretion, adopt a records retention and/or deletion procedure for any and all records, except as otherwise restricted by law.

Adopted by the Board, this 4th day of August, 2018, effective immediately.

**LIST of ASSOCIATION RECORDS
FOR POSSIBLE EXAMINATION AND COPYING**

The following Association records may be available for examination and copying to the extent in existence and control by the Association, and in compliance with the Association's Records Rule:

1. Declaration of Covenants, Conditions and Restrictions of the Association (the "Declaration"), which shall include the recording date and recording number of the Declaration;
2. Articles of Incorporation;
3. Bylaws;
4. Policies, Procedures, Rules and Regulations, and Resolutions adopted by the Association under C.R.S. 38-33.3-209.5 and other Rules or Policies, relating to the characteristics, qualifications, rights, limitations, and obligations of Owners;
5. Detailed records of receipts and expenditures affecting the operation and administration of the Association; records of claims for construction defects and amounts received pursuant to settlement of those claims;
6. Minutes of all meetings of its Owners and the Board, a record of all actions taken by the Owners or the Board without a meeting, and a record of all actions taken by any committee of the Board;
7. Written communications among, and the votes cast by, Board Members that are directly related to an action taken by the Board without a meeting pursuant to Section 7-128-202, C.R.S. or directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws;
8. The names of the 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;
9. Financial statements as described in Section 7-136-106, C.R.S., for the current and past three fiscal years and tax returns of the Association for the past seven years, to the extent available;
10. A list of the names, electronic mail addresses, and physical mailing addresses of its current Board Members and Officers;
11. Association's most recent annual report delivered to the Secretary of State, if any;
12. Financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316 (8) concerning statements of unpaid assessments;
13. The Association's most recent reserve study, if any;
14. Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
15. Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
16. Ballots, proxies, and other records related to voting by Owners for a minimum of one year after the election, action, or vote to which they relate;

17. Resolutions adopted by its Board relating to the characteristics, qualifications, rights limitations, and obligations of Owners or any class or category of Owners;
18. All written communications within the past three years to all Owners generally as Owners;
19. The date of the Associations' fiscal year;
20. The Association's operating budget for the current fiscal year;
21. A list (organized by property type) of the Association's current regular and special assessments;
22. The results of any financial audit or review for the immediately preceding fiscal year;
23. A list of all Association insurance policies; and
24. The name, address and phone number of the Association and its managing agent, if any.

Document Request Form

Name of Requesting Owner: _____

Requested Date and Time for Examination: _____

Property Address: _____

Daytime Phone: _____ Email: _____

Check here if you want to examine documents and then list those documents:

Check here if you are requesting copies of specific documents that you want the HOA to locate (rather than searching the documents yourself); and list the requested documents:

Pursuant to Colorado State Law and the Association’s procedure regarding Owner access, inspection and copying of the Association’s documents, I agree to pay in advance the cost of copying and labor, as set by the Association’s records custodian. Payment must be received at time of examination, paid by certified funds or money order (no cash). I further agree that if the cost exceeds the estimate, I will pay the additional charges at the time of inspection or prior to copying and delivery of records. _____ (initial)

I understand that examination of books and records of this Association will be made available during normal business hours in accordance with state law at a time and place designated by the Association. I estimate that the inspection will require _____ hours. I understand that this Document Request Form must be submitted at least ten (10) days prior to inspection. I understand that I will pay as noted above, the labor costs for retrieving, copying and/or witnessing the examination of books and records of this Association.

I agree that I am solely responsible for any legal liability or damages arising from or relating to my use of the information; and that the Association assumes no liability or responsibility for the information provided, nor its use or misuse, and that the Association does not warrant or represent the accuracy, completeness, or any other matter in the materials provided. _____ (initial)

If a request is made herein for records described in Sections 4 or 5 of the Records Rule, my reason for requesting that information is as follows:

_____.

By my separate signature, I certify that my request for the membership list of the Association is for a purpose related to my ownership in the Association, and that this request is not for commercial purposes or for any solicitation of money or Property, except for solicitation of money or Property to be used solely to solicit votes of the owners in an election to be held by the HOA; and this list shall not be sold to or purchased by any person.

_____ (Signature)

By my separate signature, I agree that any information described in Sections 4 or 5 of the Records Rule shall not be used in violation of that Rule, and I agree to indemnify the Association from any claims or expenses resulting from the use of such information, in the event the records provided to me by the Association are used in violation of this Form; in such case, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Signature of Requesting Owner: _____

Date: _____

VIII. CONFLICTS OF INTEREST POLICY

1. The Board of Directors shall comply with all of Colorado's statutory provisions against conflicting interest transactions as found in the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act. A "*conflicting interest transaction*" is defined by the Colorado statutes, but generally means a contract, transaction, or other financial relationship between the Association and:
 - a. a director of the Association; or
 - b. a party related to a director (a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling); or
 - c. an estate or trust in which the Director or relative has a beneficial interest; or
 - d. an entity in which a relative of a Director, or officer, or has a financial interest.
2. Reimbursement of actual expenses shall not be deemed a financial benefit for purposes of this policy; and transactions that are of a general benefit to a group of homeowners that includes one or more Directors shall not be considered a conflicting interest transaction.
3. Each individual Director is obligated by law to disclose, in an open Board meeting, any existing conflict of interest prior to any discussion or action on that issue, and the Director shall not vote on such issue. Such disclosure should be reflected in the minutes of the meeting or other written form.
4. The Director should not take part in the discussion and should leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Directors may ask the interested Director to remain during any portion of the discussion and/or vote, provided that the Director does not vote.
5. The above notwithstanding, at any Board meeting, a Director with a conflict of interest may be counted "*present*" for the purpose of determining whether a quorum exists; and the foregoing requirements shall not be construed as preventing the interested Director from briefly stating his or her position in the matter, nor from answering

pertinent questions of other Directors, since his or her knowledge may be of great assistance.

6. The contract, Board decision or other Board action must be approved in good faith by a majority of the disinterested Directors. No contract, Board decision or other Board action in which a Director has a conflict of interest shall be approved unless it is commercially reasonable to (and/or in the best interests of) the Association.
7. Any contract or action in violation of this policy shall be brought to the attention of the remaining Directors for appropriate action and shall be declared void and unenforceable, unless the transaction:
 - a. the material facts of the conflict are disclosed or are known to the Board or to the Owners entitled to vote thereon; and
 - b. is approved or ratified in good faith by a majority of either:
 - i. the disinterested Directors; and/or
 - ii. the Members of the Association; or
 - c. is fair to the Association.
8. Any Director who violates this rule, or any other lawful provision of any Association Document, may be removed from the Board by the other Directors; and any contract entered into by the Association can be declared void and unenforceable, and the interested Director shall be responsible for any damages arising from the failure to disclose the conflict.
9. No loans shall be made by the Association to any Director or officer. If any Director or officer assents to or participates in the making of such a loan, he or she shall be liable to the Association for the amount of such loan until repayment is made.
10. The Association may require all Board members sign a copy of this Rule to acknowledge they have read and understand it and will comply fully with it.

Adopted by the Board, this 4th day of August, 2018, effective immediately.

IX. RESERVE FUNDS

1. Reserve Fund Investment

The Officers and Members of the Board of Directors shall make investment decisions in good faith, with the care an ordinary 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 interest of the Association in accordance with the Colorado Revised Non-Profit Corporation Act.

2. Reserve Fund Classification

Funds collected from Dues and/or Special Assessments after Annual Operational Funds have been expended will be allocated to Reserves for the purpose of maintenance of common property, and future investment and or acquisition of common property for the use and enjoyment of the Association, as defined in the Bylaws.

Adopted by the Board, this 4th day of August, 2018, effective immediately.

X. RULEMAKING POLICY

1. Authority. The Board of Directors shall have the authority to adopt, revoke or amend any portion of these Rules, including Policies and Procedures to the extent they do not conflict with the Covenants, Articles of Incorporation, and Bylaws of the Association (hereinafter collectively referred to as the "Association Documents") in order to interpret, supplement and/or enforce the Governing Documents. The Board should adopt Rules at Board meetings which are open to attendance by Owners.

2. Board Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intent or meaning of any of the Governing Documents, the Board shall, by resolution, determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect and application of the provision. These determinations will thereafter be binding on all parties so long as it is not arbitrary or capricious, and they may be filed for record with the Clerk and Recorder of Teller County.

3. Notice to Membership. In any case where the Board is adopting a new or amended Rule of major significance to the Association, the Board will give notice to the Owners as required by the Association Documents. The Board may announce a new Rule in the Association's newsletter or by mail or hand delivery to the properties.

Adopted by the Board, this 4th day of August, 2018, effective immediately.

XI. OPERATIONAL RULES AND REGULATIONS

1. LAND USE

LAND USE PERMITTED: On any platted lot in the Subdivision there may be constructed, subject to architectural control as hereinafter set forth, one new, single dwelling designed for occupancy by a single family and for private use only. Additional structures such as a private garage, and other enclosed and covered outbuildings that are incidental to single family, residential use on the premises may be constructed following completion of the primary residence. Outdoor amenities such as gas fire pits, grills, outdoor furniture, and the like are limited to lots with a completed single-family dwelling. Any structure, shed, improvements, sanitation facilities, underground fuel and water storage, hedges, fences, plantings, decks, non-commercial antenna, and other accessories shall be subject to the approval of the Architectural Committee and Teller County Codes. All buildings, structures, and improvements must be of new construction, and used buildings or improvements shall not be moved into the Subdivision.

LAND USE REQUIREMENTS:

- a. **BUILDING USE NOT PERMITTED:** No shed, basement, shack, tent, garage or like structure, double or single-wide mobile home, camping trailer, or fifth-wheel, motor home, or recreational vehicle shall be occupied or used as a residence temporarily or permanently, nor shall any temporary structure be occupied as a residence.
- b. No shed, garage, or structure may be constructed on a vacant lot that does not have a residential structure, unless the lot line between the residential lot and the vacant lot has been vacated and recorded with the Teller County Clerk and has been approved by the Architectural Committee.
- c. **DAMAGED BUILDINGS:** Any exterior damage to a building within the Subdivision shall be repaired or cleaned up within 90 days of notification sent by certified mail, return receipt requested, by the Association.

2. LEASES:

RENTAL LEASES: The Lot Owner has the right to lease his dwelling for private, residential living and sleeping purposes, subject to the

following conditions and shall post the "Renters Requirements" document provided by the Association in the dwelling:

- a. No Owner shall lease less than the entire property as stated in Section 1. LAND USE PERMITTED.
- b. All leases shall provide in the terms of the lease that the renter shall abide by the terms of these Covenants.
- c. The renter shall be provided a copy of the Renters Requirements prepared by the Association and provided by the Lot Owner in addition to a copy of these Covenants.
- d. Renters may join the Association as Associate Members, that is they may participate in activities, etc., but renters shall not have voting rights.
- e. The Association Board of Directors may require the Lot Owner to produce a copy of the signed lease and may require the Lot Owner to enforce the conditions of the lease against the renter.
- f. The Lot Owner shall be responsible for the actions of his tenant.

3. GARBAGE AND TRASH

No Lot shall be maintained as a dumping ground for trash, rubbish, garbage, or other debris. All refuse shall be kept in sanitary containers, out of public view except to facilitate service on the designated pickup day, and Lot Owners shall secure their containers from animals and elements. No outside toilet facilities shall be permitted within the Subdivision with the exception of portable toilet units required during construction.

4. ANIMALS

Pets and domestic animals shall be confined to Owner's Lot or leashed or under voice control when being exercised within public roadways. Domestic animals under voice control must remain within ten (10) feet of the person exercising the animal, and Owners or renters must control the animal on the public roadway. The person exercising the animal on the roadways of the Association must carry waste bags, to remove defecation remains. A dog, cat, or other animal that barks, bays, howls, or makes other noises so as to disturb neighbors to a degree which is a persistent threat or annoyance shall be prohibited, and the Owner may be approached by the Association for remedy and

may be reported to the County for Code Enforcement. Repeated offenses will not be tolerated, and the Board of Directors may levy reasonable fines, after notices and opportunity is presented to the Lot Owner to be heard. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any property except dogs or cats or other customary household pets which may be maintained on a non-commercial basis, but shall be so limited to six (6) total pets in accordance with Teller County Code, and cared for so as to not cause a source of annoyance to other Lot Owners. Horses, llamas or other hoofed animals shall not be stabled, kept, or maintained at any time within Rainbow Valley on any Lot. Owners shall control their pets and shall be responsible for their pets' damage or behavior.

5. SIGNS AND ADVERTISING

No signs, advertising, billboards, unsightly objects, or nuisances shall be erected, placed, or permitted within the Subdivision without written permission of the Committee.

- a. This does not apply to any reasonable sign in connection with the sale of property within the Subdivision.
- b. All signs shall be free standing and under no circumstances be affixed to trees.
- c. Sign size shall not exceed 2'x 2' in dimension.
- d. Signs shall be neat and attractive and blend with natural surroundings.

6. IMPROPER STORAGE

Visible storage of abandoned or junk vehicles, unused appliances, bathroom fixtures, water heaters, and similar items shall not be permitted within the Subdivision. An abandoned or junk vehicle shall be defined as any unregistered, inoperable licensed auto, truck, motorcycle, boat, camper, trailer, motor home, or other similar vehicle, which is not garaged and has not been moved for 30 days. RV's and camper trailers that are registered may be stored without movement on property that includes a residence structure, unless the condition of such unit demonstrates the unit is not movable. The intent of this covenant is to prevent any unsightly condition within the Subdivision.

7. NUISANCES

No noxious or offensive trade or activity shall be permitted within the Subdivision nor shall anything be done which may be or become an annoyance, hazard, or nuisance to the Subdivision. This includes but is not limited to:

- a. No Lot shall be maintained in an unsightly condition. No noxious, hazardous or offense activity shall be carried on upon any Lot or home site, nor anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance. This shall include barking dogs, County prohibited snowmobiles, off-road recreation vehicle or motorized recreation vehicle, and similar items or activities. Off-road vehicles used for utilitarian purposes such as snow plowing will be permitted on personal property. No annoying lights, sounds, or odors shall emanate from any Lot or home site.
- b. Tent and or teepee-like structures are not allowed to be erected on any property regardless of materials used to erect or construct such structures.
- c. Lighting standards shall not exceed the lesser of 5 feet taller than the primary building height or 25 feet. Onsite lighting for parking and building areas shall be downcast, shielded and not casting a direct light beyond the limits of the Lot as referenced in the Teller County Land Use Regulations.

8. HUNTING

No hunting, target practice, or discharge of firearms, to include bow and arrow, shall be permitted within the Subdivision with the exception of use for protection of self or property. Violation of this prohibition shall be considered as an endangerment to life and public safety.

9. CAMPING

No camping or campfires of any kind shall be permitted on any Lot within the Subdivision. Lots may be used for picnics subject to the Committee's Rules and Regulations.

10. OUTSIDE FIRES, OPEN FIRES AND FIRE PITS:

No fires are allowed outside of the dwelling structure in Rainbow Valley except those described in the last paragraph of this section. This

includes, but is not limited to, open fires, bonfires, trash barrel fires, campfires, outdoor fireplaces, grass fires, slash burning, and any similar fire activities, fire sites, or fireworks, including sparklers. Obtaining a burn permit from Teller County does not rescind or replace these restrictions.

No fire pits of any kind regardless of design, other than propane or natural gas, are allowed on any property, either private or common, including those that meet manufacturer safety standards or as permitted by Teller County.

These Policies, Rules and Regulations supersede Teller County's guidelines. Infraction for initial violations and any subsequent violations may be fined up to \$2,000.00.

Allowed outdoor items: (a) propane or natural gas: grills, fire pits, fireplaces and patio heaters; (b) covered charcoal grills; and (c) contained smokers; except during Stage II burn bans [www.tellercountysheriff.com].

11. TREES

Living trees shall not be cut or removed within the Subdivision unless trees(s) present a hazard or fire danger. Lot Owners are encouraged to remove dead and/or diseased trees and brush from their Lots to avoid wildfires and infestation of beetles and disease. No clear cutting is allowed. Owners are encouraged to comply with the US Forest Service Guidelines for Fire Safety and the Teller County Land Use Regulations, or comparable laws or regulations.

12. OIL DRILLING OR REFINING AND MINING

Oil drilling or refining and mining activities and structures are prohibited from any Lot. Nor shall any oil, natural gas, petroleum, asphalt or other hydrocarbon substances be produced from any well located upon, in or under any Lot. No storage tanks or other tanks for oil, natural gas, or water shall be permitted unless approved by the Board or except for propane tanks in good repair and appearance.

13. COMMERCIAL BUSINESS OPERATION

No trade or business or any profession, commercial activity or other activity conducted for gain shall be carried on or within any Lot, except:

A home office as defined by the Board, may be permitted so long as the operation of the activity is not apparent or detectable by sight, sound or smell, conforms to zoning codes, does not employ more than one person at a time who does not reside on the Lot, does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees or door-to-door solicitation of the residents of the Properties, does not involve business activity which is inconsistent with the residential character of the Properties, does not constitute a nuisance, or hazardous or offensive use, or threaten the security or safety of the other residents Properties, as may be determined at the sole discretion of the Board, and construction activities are permitted so long as no trash, noise or nuisances are introduced.

14. ARCHITECTURAL REQUIREMENTS

No new dwellings shall be constructed within the Subdivision with an area, exclusive of open porches, decks, and garage, less than 1200 square feet and with a potable water cistern no less than 1500 gallons with a 3" fill pipe connected thereto located within 20 feet of an accessible, all-weather road to permit water truck delivery of potable water in an easily accessible and safe manner as approved by the RVWD/RVPOA.

Construction Design is required to be harmonious with other structures in the Subdivision subject to these requirements:

- a. No driveway or building excavation will be allowed until a Residential Access Permit and County Building Permit are obtained.
- b. During and upon start of Construction:
 - i. The Owner, Builder or construction company shall provide a portable toilet for workers at the site until sanitary facilities have been connected within the building under construction.
 - ii. The structure shall be completely enclosed within 270 days of start of construction.
 - iii. The Owner, Builder or construction company will provide a dumpster for disposal of construction debris, trash, refuse,

etc. during the construction of the building, and will remove all construction debris via the dumpster once the project is completed.

- c. Building exteriors shall be painted/stained or sided in natural or earth tone colors (i.e. natural wood, browns, earth reds, tans, or dark greens) that blend with the surrounding area. Roof colors shall meet the same requirements in colors (i.e. solid or blended colors tans, dark greens, browns, greys, earth reds, blacks) Metal roofs may be the same blend of colors and include Earth copper or Dark Blue. Owner shall submit paint color samples to the Committee prior to application or construction. General maintenance using previously approved colors, material and size for building exteriors, roofs, decks, and fencing are exempt from the required approval of the RVPOA Board. Such improvements include painting your residence or outbuilding its original color and replacing an existing roof or deck in its original material, size and color.
- d. Buildings of any kind shall have set-backs of 15' from the sides of lot lines, 30' from the rear lot line and 25' from the front lot line.
- e. Culverts shall be constructed if required by existing Teller County Building Department requirements at the time of construction to ensure erosion control.
- f. All structures are required to have a 12" overhang on sides and roof as a minimum requirement with the exception of storage sheds. Overhang requirements for storage sheds may vary depending on the style shed being built.
- g. Modular and manufactured homes will be of new construction and are defined as built in multiple sections; each on a chassis which enables it to be transported to its occupancy site; is constructed to the standards of the State of Colorado Factory Built Housing Construction Certification code; is installed on an engineered permanent foundation; has real brick, wood, and/or stone exterior siding and skirting; a minimum 5/12 pitch roof with one-foot (1') overhang minimum; is certified pursuant to "National Manufactured Housing Construction and Safety Standards Act of 1974" as amended; and is built for the Colorado climate and snow loads according to Department of Housing and Urban Development standards established under

the provisions of 42 USC 5401. These homes will also be constructed with all other stated minimum architectural requirements.

Adopted by the Board, this 4th day of August, 2018
Amended Subsection 6 Improper Storage July 21, 2020
Amended Subsections 9 Camping and 10 Open Fires August 7, 2020
Amended Subsection 7 Nuisances December 15, 2020
Amended Subsection 14 Architectural Requirements Feb. 16, 2021
Amended Subsection 1 Land Use July 20, 2021

XII. GENERAL INFORMATION

1. Association Contact Information

a. Board of Directors:

111 Sportsmans Lane
Divide, CO 80814
Board@RVPOA.com

b. Website

www.rvpoa.com

2. Registered Agent Information

The Board of Directors acts as the Managing Agent for the Association.

3. Records Custodian Contact Information

Board@rvpoa.com

Updated this 4th day of August, 2018.