

**Association Annual Disclosure pursuant to §38-33.3-209.4(2), C.R.S.**

Timber Springs Property Owners Association, Inc  
Timber Springs Drive, Edwards, CO

Designated Agent:

Marchetti & Weaver, LLC  
28 2nd St, Unit 213, Edwards CO 81632  
970-926-6060  
Beth Johnston; bethj@mwcpaa.com; (970) 926-6060 ext 1

Declaration recorded in Eagle County on August 20, 2001, Reception Number 760130  
First Amendment recorded July 30, 2001, Reception number 763355  
Second Amendment recorded September 21, 2001, Reception number 767972  
Third Amendment recorded May 1, 2003, Reception number 832053  
Fourth Amendment recorded January 21, 2005, Reception number 904103  
Fifth Amendment recorded April 2, 2021, Reception number 202107524

- 1) Fiscal Year Commences: January 1, 2026
- 2) Current Year Budget for: 2026
  - a. Timber Springs Metropolitan District Budget for: 2026
- 3) List of current Regular and Special Assessments, by unit type (may be included with budget) –  
Operating Assessments \$11,375 per lot  
Reserve Fund Assessments \$10,500 per lot  
Special Assessments – none anticipated
- 4) Prior Year Annual Financial Statements, including Reserve Funds, if applicable
- 5) Most Recent audit or financial review – POA did not have an audit or financial review in 2025
  - a. Timber Springs Metro District Application for Exemption from Audit: as of 12/31/2025
- 6) Association Insurance Policies:  
Commercial General Liability, Directors and Officers, Fidelity – all expire 1/1/2027
- 7) Association Governing Documents (Article of Inc., Bylaws, Rules & Regulations)
- 8) Association Responsible Governance Policies under 38-33.3-209.5
  - i. Collections of unpaid assessments
  - ii. Handling of conflicts of interest involving board members
  - iii. Conduct of meeting
  - iv. Enforcement of covenants and rules
  - v. Inspection and copying of records by unit owners
  - vi. Investment of reserve funds
  - vii. Procedures for adoption of policies, procedures, and rules
  - viii. Procedures for address disputed between Association and unit owners
  - ix. Reserve study requirements
- 9) Prior Year Minutes of Executive Board and Member meetings –Property Owners Association and Metropolitan District meeting minutes are included. May be subject to approval.

**Timber Springs Property Owners Association  
Statement of Revenues, Expenses and Changes in Fund Balance 10/16/25  
Actual, Budget and Forecast for the Periods Indicated  
Modified Accrual Basis**

	<b>Year Ending 12/31/2024 Actual</b>	<b>Fiscal Yr Ending 2025 Forecast</b>	<b>Adopted 2026 Budget</b>	<b>Notes</b>
<b>Revenues and Other Financing Sources</b>				
Reserve Fund Assessments per Unit	4,000	5,000	10,500	8 lots
Operating Fund Assessments per Unit	8,125	10,750	11,375	8 lots
<b>Total Assessments per Unit</b>	<b>12,125</b>	<b>15,750</b>	<b>21,875</b>	increase to cover expenses
<b>Operating Fund</b>				
Operating Assesments/Property Taxes	79,000	86,000	91,000	
Fee Income (Design Review, Title Statement)	0	0	0	
Late Fees, Penalties, Other Income	8	0	0	
Interest Income	4	0	0	
<b>Total Revenues and Other Financing Sources</b>	<b>79,012</b>	<b>86,000</b>	<b>91,000</b>	
<b>General &amp; Administrative</b>				
Accounting & Administration	21,515	22,926	19,500	Assume CPI Increase 4%
Insurance	2,392	2,364	2,459	10% incr
Legal - General	18	1,000	1,000	
Election (Metro District only)	25	1,057	0	MD election odd years
Dues and Subscr (DORA, SOS)	69	50	52	SOS, DORA renewals
Design Review, Title Statement Expense	0			
Office Overhead & Expense	1,328	2,087	2,170	incl bill fees
Taxes Paid	2,123	0	0	estimated taxes
<b>Total G&amp;A Expenses</b>	<b>27,470</b>	<b>29,484</b>	<b>25,181</b>	
<b>Operations</b>				
Fishing Access	814	847	880	bill in Oct
Water Rights (CRWCD Water Lease)	7,633	1,420	1,477	
Gate Repairs & Maintenance	475	2,250	7,250	gate enhancements \$5000
Holiday Lights	755	4,780	7,371	replace strings 1/3 trees
Landscape Mtce - Flower Beds	16,058	7,500	12,885	addl flowers \$7500
Landscape Mtce - Turf	1,390	2,410	2,710	saly
Landscape Mtce - Irrigation	3,620	4,848	2,570	saly + \$2000 repairs
Landscape Mtce Tree Care	600	2,055	2,137	saly
Irrigation System/Ditch Maintenance Management	2,710	2,500	2,000	pump & ditch maint, rplc irr he:
Road Repairs & Maintenance	4,860	7,080	7,576	weekly \$128, \$75/hr addl
Road Sweeping/Cleaning	9,480	2,008	0	crackfill, sealcoat every 3 yrs a
Snowplowing	0	0	1,700	2 cleanings per year per Brian
Utilities-Electricity, Phone, Internet	8,218	8,099	8,725	per proposal + \$1000 hauling
Weed and Pest Control	4,055	3,463	3,955	Comc 250, HC 70
Fire Mitigation	2,050	2,508	3,500	2 cuts + spray if necessary
Contingency/Other/Lot 6 Reimb	0	0	500	mitigation along roadway
<b>Total Operations &amp; Maintenance Exp</b>	<b>62,718</b>	<b>51,768</b>	<b>66,236</b>	
<b>Total Expenditures</b>	<b>90,188</b>	<b>81,252</b>	<b>91,417</b>	
<b>Revenue Over (Under) Expenditures</b>	<b>(11,176)</b>	<b>4,748</b>	<b>(417)</b>	
Beginning Fund Balance	47,181	36,005	40,754	
Transfer to Reserve Fund	0	0	0	
<b>Ending Operating Fund Balance</b>	<b>36,005</b>	<b>40,754</b>	<b>40,337</b>	

	<b>Year Ending 12/31/2024 Actual</b>	<b>Fiscal Yr Ending 2025 Forecast</b>	<b>Adopted 2026 Budget</b>	<b>Notes</b>
<b>Replacement Reserve Fund</b>				
<b>Revenues</b>				
Reserve Fund Assessment	36,000	40,000	84,000	Transferred to Metro District
Road Damage Fee	0	0	0	
Interest Income - Reserve	12,429	4,797	0	
Interest Income Contra - transfer to MD	(11,431)	(4,797)	0	
<b>Total Revenues</b>	<b>36,998</b>	<b>40,000</b>	<b>84,000</b>	
<b>Expenditures</b>				
Road Overlay/Major Repair Costs	0	0	0	per reserve schedule
Gate Major Repairs/Replacement	0	0	0	per reserve schedule
Entry Landscaping Enhancements	0	0	0	per reserve schedule
Irrigation System Repairs/Replacement	0	0	0	per reserve schedule
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Revenue Over (Under) Expenditures</b>	<b>36,998</b>	<b>40,000</b>	<b>84,000</b>	
<b>Beginning Reserve Fund Balance</b>	<b>279,198</b>	<b>216,196</b>	<b>0</b>	
Transfer From (To) Metro/ POA Op Fund	(100,000)	(256,196)	(84,000)	
<b>Ending Reserve Fund Balance</b>	<b>216,196</b>	<b>0</b>	<b>0</b>	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

# Timber Springs Metropolitan District

January 12, 2026

Division of Local Government  
VIA: Electronic Filing

RE: LGID #66529 Timber Springs Metropolitan District

Attached is the 2026 Budget for the Timber Springs Metropolitan District in Eagle County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This Budget was adopted on October 15, 2025. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Eagle County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$3,214,220, the total property tax revenue is \$0. A copy of the certification of mill levies sent to the County Commissioners for Eagle County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Eagle County, Colorado.

Sincerely,



Kenneth J. Marchetti  
District Accountant

Enclosure(s)

# Timber Springs Metropolitan District

## 2026 BUDGET MESSAGE

Timber Springs Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary facilities and services including but not limited to potable water delivery, internal and offsite roadway systems and sanitary sewer collection and treatment.

The District has no employees, and all operations and administrative functions are contracted

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

## 2026 BUDGET STRATEGY

The District's strategy in preparing the budget is to strive to provide the type of public-purpose facilities desired by the property owners and residents of the District in the most economic manner possible. The District's primary function is to work cooperatively with the Timber Springs Property Owners Association to provide operational services for the Timber Springs community. The members of the Timber Springs Property Owners Association are the same as the taxpayers in Timber Springs Metropolitan District.

The primary services provided are for road and related landscape maintenance. In August 2018, the Boards of Timber Springs Metropolitan District and Timber Springs Property Owners Association agreed to move all operations and administration out of the metropolitan district and into the property owners association. These operations will be funded with property owners association assessments rather than property taxes in the future. In 2024, the association and district agreed that capital and non-routine projects falling within district powers would be completed by the district and funded by the association, effectively moving the association's reserve fund into the district.

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*Administrative Management Provided By Marchetti & Weaver, LLC*

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(970) 926-6060

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245 Century Circle, Suite 103  
Louisville, CO 80027  
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**RESOLUTIONS OF TIMBER SPRINGS METROPOLITAN DISTRICT**

**TO ADOPT 2026 BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE TIMBER SPRINGS METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2026 AND ENDING ON THE LAST DAY OF DECEMBER 2026.

WHEREAS, the Board of Directors of the Timber Springs Metropolitan District has appointed a budget committee to prepare and submit a proposed 2026 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on [October 15, 2025](#), and interested taxpayers were given the opportunity to file or register any objections to said proposed budget, and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Timber Springs Metropolitan District, Eagle County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Timber Springs Metropolitan District for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

**RESOLUTIONS OF TIMBER SPRINGS METROPOLITAN DISTRICT (CONTINUED)**

**TO SET MILL LEVIES**

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2025, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE TIMBER SPRINGS METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2026 BUDGET YEAR.

WHEREAS, the Board of Directors of the Timber Springs Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on [October 15, 2025](#), and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is [\\$0](#), and;

WHEREAS, the Timber Springs Metropolitan District finds that it is required to temporarily lower the general operating mill levy to render a refund for [\\$0.00](#), and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is [\\$0.00](#), and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is [\\$0](#), and;

WHEREAS, the 2025 valuation for assessment for the Timber Springs Metropolitan District, as certified by the County Assessor is estimated to be [\\$3,214,220](#).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the TIMBER SPRINGS METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Timber Springs Metropolitan District during the 2026 budget year, there is hereby levied a tax of [0.00](#) mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2026 there is hereby levied a temporary tax credit/mill levy reduction of [0.00](#) mills.
- Section 3. That for the purpose of meeting all capital expenditures of the Timber Springs Metropolitan District during the 2026 budget year, there is hereby levied a tax of [0.00](#) mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.

**RESOLUTIONS OF TIMBER SPRINGS METROPOLITAN DISTRICT (CONTINUED)**

**TO SET MILL LEVIES (CONTINUED)**

Section 4. That for the purpose of meeting all payments for bonds and interest of the Timber Springs Metropolitan District during the 2026 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.

Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Timber Springs Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Timber Springs Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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**RESOLUTIONS OF TIMBER SPRINGS METROPOLITAN DISTRICT (CONTINUED)**

**TO APPROPRIATE SUMS OF MONEY**  
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE TIMBER SPRINGS METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2026 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on [October 15, 2025](#), and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TIMBER SPRINGS METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

	Expenditures
General Fund	\$ 393,170

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**TIMBER SPRINGS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED  
GENERAL FUND**

	<b>FYE 12/31/24 <u>Actual</u></b>	<b>2025 <u>Forecast</u></b>	<b>Adopted 2026 <u>Budget</u></b>	<b>MODIFIED ACCRUAL BASIS  <u>Comments</u></b>
<b>Assessed Value</b>	<b>2,988,780</b>		<b>3,214,220</b>	Final AV 11/25 (no change)
<b>Ops Mill Levy Rate</b>	<b>0.000</b>		<b>0.000</b>	
<b>REVENUES</b>				
Prop Taxes - Operating Mill Levy	0	0	0	
Specific Ownership Taxes	0	0	0	
Other Income (POA Xfer)	100,000	256,196	84,000	transfer in from POA
Interest income	11,445	12,362	5,752	
<b>TOTAL REVENUES</b>	<b>111,445</b>	<b>268,558</b>	<b>89,752</b>	
<b>General &amp; Administrative</b>				
Accounting, Admin & Management	0	0	0	
Insurance	0	1,478	2,080	MD Bond 3 yrs, exp 2027
Legal - General	0	0	0	
Dues and Subscr (Spec Distr Assn)	0	189	335	
Office Overhead & Expense	0	0	0	
Elections	0	0	0	MD election odd years
Treasurer's Fees (Eagle County)	0	0	0	
Contingency/Indemnification Appropriation	0	0	5,000	
<b>Capital Expenditures</b>				
Road Overlay/Major Repair Costs		2,500	350,687	Alpine Eng est, \$10k admin
Gate Major Repairs/Replacement		42,156		
Entry Landscaping Enhancements	0			Entry Enhancements 1/4 2027, 2
Other Water System Installation/Conting	0	5,000		
Contingency/Other - Capital		0	35,069	
<b>Total Capital Expenditures</b>	<b>0</b>	<b>49,656</b>	<b>385,756</b>	
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>51,324</b>	<b>393,170</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>111,445</b>	<b>217,235</b>	<b>(303,419)</b>	
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfer Fund Balance to POA	0			
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Revenue and Other Sources over Expenditures and other Uses	111,445	217,235	(303,419)	
<b>FUND BALANCE - BEGINNING</b>	<b>0</b>	<b>111,445</b>	<b>328,680</b>	
<b>FUND BALANCE - ENDING</b>	<b>111,445</b>	<b>328,680</b>	<b>25,261</b>	

No assurance is provided on these financial statements;  
substantially all disclosures required by GAAP omitted.

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## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Eagle County, Colorado.

On behalf of the Timber Springs Metropolitan District

(taxing entity)<sup>A</sup>

the Board of Directors

(governing body)<sup>B</sup>

of the Timber Springs Metropolitan District

(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 3,214,220

(Gross<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation From DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 3,214,220

(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/5/2025  
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2026.  
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<u>(0.000)</u> mills	\$ -
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>(0.000)</u> mills</b>	<b><u>\$ -</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>0.000</u> mills	\$ -
4. Contractual Obligations <sup>K</sup>	<u>0.000</u> mills	\$ -
5. Capital Expenditures <sup>L</sup>	<u>0.000</u> mills	\$ -
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u> mills	\$ -
7. Other <sup>N</sup> (specify): _____	<u>0.000</u> mills	\$ -
_____	<u>0.000</u> mills	\$ -
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>0.000</u> mills</b>	<b><u>\$ -</u></b>

Contact person: Kenneth J Marchetti  
(print)

Daytime phone: (970) 926-6060

Signed: 

Title: District Accountant

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.*

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

## List of Assessments, Fees and Charges

### Current Regular and Special Assessments, Fees and Charges:

- 1) Annual Assessments, per Lot, due by January 31 each year. Association does allow payment of assessments quarterly, if preferred:
  - a. 2026: Operating \$11,375      Reserve \$10,500      Total \$21,875
- 2) Reserves/Working Capital: \$330 per Lot
- 3) Special Assessments: no special assessments pending at the time of preparation
- 4) Title Statement preparation fee: \$175
  - a. Rush Fee (turnaround in less than 3 business days): additional \$100
- 5) Record Change Fee: \$0
- 6) Document Access Fee: \$0

**Timber Springs Property Owners Association  
Balance Sheets  
As of the Dates Indicated**

Printed: 03/30/26

	<b>12/31/2024</b>	<b>12/31/25</b>
<b>Operating Fund</b>		
<b>Current Assets</b>		
Cash in Bank - Checking	2,705	4,231
Cash in Bank - Savings		
<b>Total Cash</b>	<u><b>2,705</b></u>	<u><b>4,231</b></u>
Accounts Receivable	0	0
Prepaid Expenses	2,180	1,900
Due From (To) Reserve Fund	53,780	72,346
<b>Total Current Assets</b>	<u><b>58,665</b></u>	<u><b>78,477</b></u>
Fixed Assets	53,021	53,021
Accumulated Depreciation	(29,612)	(29,612)
<b>Total Assets</b>	<u><u><b>82,074</b></u></u>	<u><u><b>101,886</b></u></u>
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities</b>		
Accounts Payable	6,820	13,261
Prepaid Assessments	0	0
Construction Deposits	13,200	13,200 Lot 6
<b>Total</b>	<u><b>20,020</b></u>	<u><b>26,461</b></u>
<b>Fund Equity</b>		
Operating Fund Balance	36,005	49,376
Invested in Capital Assets	23,409	23,409
Working Capital Deposits	2,640	2,640
<b>Total Fund Equity</b>	<u><b>62,054</b></u>	<u><b>75,425</b></u>
<b>Total Liabilities and Fund Equity</b>	<u><u><b>82,074</b></u></u> =	<u><u><b>101,886</b></u></u> =
<b>Replacement Fund</b>		
<b>Current Assets</b>		
Cash in Bank - Reserve Savings	44,040	72,346
MBS Cash and CDs (matures 6/25)	225,937	0
<b>Total Assets</b>	<u><b>269,977</b></u>	<u><b>72,346</b></u>
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities</b>		
Due To (from) Operating Fund	53,780	72,346
<b>Total Liabilities</b>	<u><b>53,780</b></u>	<u><b>72,346</b></u>
<b>Fund Equity</b>		
Fund Balance	216,196	0
<b>Total Fund Equity</b>	<u><b>216,196</b></u>	<u><b>0</b></u>
<b>Total Liabilities and Fund Equity</b>	<u><u><b>269,977</b></u></u> =	<u><u><b>72,346</b></u></u> =

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

Timber Springs Property Owners Association  
Statement of Revenues, Expenses and Changes in Fund Balance  
Actual, Budget and Forecast for the Periods Indicated  
Modified Accrual Basis

Printed: 03/30/26

	Year Ending 12/31/2024 <u>Actual</u>	POA Adopted 2025 <u>Budget</u>	Variance Favorable <u>(Unfavor)</u>	Fiscal Yr Ending 2025 <u>Forecast</u>	12 Months Ended 12/31/25 <u>Actual</u>	12 Months Ended 12/31/25 <u>Budget</u>	Variance Favorable <u>(Unfavor)</u>	Adopted 2026 <u>Budget</u>	<u>Notes</u>
<b>Revenues and Other Financing Sources</b>									
Reserve Fund Assessments per Unit	4,000	5,000		5,000	5,000			10,500	8 lots
Operating Fund Assessments per Unit	8,125	10,750		10,750	10,750			11,375	8 lots
<b>Total Assessments per Unit</b>	<b>12,125</b>	<b>15,750</b>		<b>15,750</b>	<b>15,750</b>			<b>21,875</b>	increase to cover expenses
<b>Operating Fund</b>									
Operating Assesments/Property Taxes	79,000	86,000	0	86,000	86,000	86,000	0	91,000	
Fee Income (Design Review, Title Statement)	0	0	0	0	0	0	0	0	
Late Fees, Penalties, Other Income	8	0	0	0	0	0	0	0	
Interest Income	4	0	0	0	0	0	0	0	
<b>Total Revenues and Other Financing Sources</b>	<b>79,012</b>	<b>86,000</b>	<b>0</b>	<b>86,000</b>	<b>86,000</b>	<b>86,000</b>	<b>0</b>	<b>91,000</b>	
<b>General &amp; Administrative</b>									
Accounting & Administration	21,515	17,584	(5,342)	22,926	27,702	17,584	(10,118)	19,500	Assume CPI Increase 4%
Insurance	2,392	2,356	(8)	2,364	2,364	2,356	(8)	2,459	10% incr
Legal - General	18	1,000	0	1,000	618	1,000	383	1,000	
Election (Metro District only)	25	550	(507)	1,057	1,010	550	(460)	0	MD election odd years
Dues and Subscr (DORA, SOS)	69	50	0	50	44	50	6	52	SOS, DORA renewals
Design Review, Title Statement Expense	0	0	0	0	0	0	0	0	
Office Overhead & Expense	1,328	1,478	(609)	2,087	1,998	1,478	(520)	2,170	incl bill fees
Taxes Paid	2,123	0	0	0	0	0	0	0	estimated taxes
<b>Total G&amp;A Expenses</b>	<b>27,470</b>	<b>23,018</b>	<b>(6,466)</b>	<b>29,484</b>	<b>33,735</b>	<b>23,018</b>	<b>(10,717)</b>	<b>25,181</b>	
<b>Operations</b>									
Fishing Access	814	847	0	847	888	847	(42)	880	bill in Oct
Water Rights (CRWCD Water Lease)	7,633	1,132	(288)	1,420	1,420	1,132	(288)	1,477	
Gate Repairs & Maintenance	475	2,250	0	2,250	1,800	2,250	450	7,250	gate enhancements \$5000
Holiday Lights	755	2,280	(2,500)	4,780	315	2,280	1,965	7,371	replace strings 1/3 trees
Landscape Mtce - Flower Beds	16,058	12,760	5,260	7,500	7,150	12,760	5,610	12,885	addl flowers \$7500
Landscape Mtce - Turf	1,390	2,410	0	2,410	935	2,410	1,475	2,710	saly
Landscape Mtce - Irrigation	3,620	2,520	(2,328)	4,848	3,831	2,520	(1,311)	2,570	saly + \$2000 repairs
Landscape Mtce Tree Care	600	2,055	0	2,055	0	2,055	2,055	2,137	saly
Irrigation System/Ditch Maintenance	2,710	2,000	(500)	2,500	2,328	2,000	(328)	2,000	pump & ditch maint, rplc irr he:
Management	4,860	7,080	0	7,080	6,394	7,080	687	7,576	weekly \$128, \$75/hr addl
Road Repairs & Maintenance	9,480	9,766	7,758	2,008	2,008	9,766	7,758	0	crackfill, sealcoat every 3 yrs a
Road Sweeping/Cleaning	0	1,700	1,700	0	0	1,700	1,700	1,700	2 cleanings per year per Brian
Snowplowing	8,218	7,950	(149)	8,099	5,699	7,950	2,251	8,725	per proposal + \$1000 hauling
Utilities-Electricity, Phone, Internet	4,055	4,128	665	3,463	3,619	4,128	509	3,955	Comc 250, HC 70
Weed and Pest Control	2,050	3,500	992	2,508	2,508	3,500	992	3,500	2 cuts + spray if necessary
Fire Mitigation	0	0	0	0	0	0	0	500	mitigation along roadway
Contingency/Other/Lot 6 Reimb	0	1,000	1,000	0	0	1,000	1,000	1,000	
<b>Total Operations &amp; Maintenance Exp</b>	<b>62,718</b>	<b>63,377</b>	<b>11,609</b>	<b>51,768</b>	<b>38,894</b>	<b>63,377</b>	<b>24,483</b>	<b>66,236</b>	
<b>Total Expenditures</b>	<b>90,188</b>	<b>86,395</b>	<b>5,144</b>	<b>81,252</b>	<b>72,629</b>	<b>86,395</b>	<b>13,766</b>	<b>91,417</b>	
<b>Revenue Over (Under) Expenditures</b>	<b>(11,176)</b>	<b>(395)</b>	<b>5,144</b>	<b>4,748</b>	<b>13,371</b>	<b>(395)</b>	<b>13,766</b>	<b>(417)</b>	
Beginning Fund Balance	47,181	41,758	(5,753)	36,005	36,005	41,758	(5,753)	40,754	
Transfer to Reserve Fund	0	0	0	0	0	0	0	0	
<b>Ending Operating Fund Balance</b>	<b>36,005</b>	<b>41,363</b>	<b>(609)</b>	<b>40,754</b>	<b>49,376</b>	<b>41,363</b>	<b>8,013</b>	<b>40,337</b>	

Timber Springs Property Owners Association  
Statement of Revenues, Expenses and Changes in Fund Balance  
Actual, Budget and Forecast for the Periods Indicated

Printed: 03/30/26

Replacement Reserve Fund	Year Ending 12/31/2024 Actual	Fiscal Yr Ending 2025 Budget	Forecast Variance Favorable (Unfavor)	Fiscal Yr Ending 2025 Forecast	12 Months Ended 12/31/25 Actual	12 Months Ended 12/31/25 Budget	Variance Favorable (Unfavor)	Adopted 2026 Budget	Notes
<b>Revenues</b>									
Reserve Fund Assessment	36,000	40,000	0	40,000	40,000	40,000	0	84,000	Transferred to Metro District
Reserve Special Assessment (\$18,125/lot)			0	0		0	0	0	
Road Damage Fee	0		0	0	0	0	0	0	
Interest Income - Reserve	12,429	17,438	(12,641)	4,797	4,718	17,438	(12,720)	0	
Interest Income Contra - transfer to MD	(11,431)	0	(4,797)	(4,797)	(4,718)	0	(4,718)	0	
<b>Total Revenues</b>	<b>36,998</b>	<b>57,438</b>	<b>(17,438)</b>	<b>40,000</b>	<b>40,000</b>	<b>57,438</b>	<b>(17,438)</b>	<b>84,000</b>	
<b>Expenditures</b>									
Road Overlay/Major Repair Costs	0	0	0	0	0	0	0	0	per reserve schedule
Gate Major Repairs/Replacement	0	0	0	0	0	0	0	0	per reserve schedule
Entry Landscaping Enhancements	0		0	0	0	0	0	0	per reserve schedule
Irrigation System Repairs/Replacement	0	0	0	0	0	0	0	0	per reserve schedule
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Revenue Over (Under) Expenditures</b>	<b>36,998</b>	<b>57,438</b>	<b>(17,438)</b>	<b>40,000</b>	<b>40,000</b>	<b>57,438</b>	<b>(17,438)</b>	<b>84,000</b>	
<b>Beginning Reserve Fund Balance</b>	279,198	<b>226,192</b>	(9,996)	216,196	216,196	226,192	(9,996)	<b>0</b>	
Transfer From (To) Metro/ POA Op Fund	(100,000)	(268,923)	12,727	(256,196)	(256,196)	(268,923)	12,727	(84,000)	
<b>Ending Reserve Fund Balance</b>	<b>216,196</b>	<b>14,707</b>	<b>(14,707)</b>	<b>0</b>	<b>0.00</b>	<b>14,707</b>	<b>(14,707)</b>	<b>0</b>	
	=	=	=	=	=	=	=	=	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

Timber Springs Property Owners Association  
 Replacement Reserve  
 Long-Range Financial Plan

					Inflation	3%												
					Cost per	2019	budget	Actual	budget	budget	budget	budget	budget	budget	budget	budget	budget	
Qty.	Unit	Unit	Estimate	Cycle	Yr:	2025	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
					last	7	7	8	9	10	11	12	13	14	15	16	17	
<b>Common Area:</b>																		
Road Overlay	3,150	l.f.	60	\$ 350,753	20													
							2,471	385,756										
Entry Gate Structure	1	ea.	\$ 30,000	\$ 30,000	15	2019											48,141	
Entry Gate Software/cameras	1	ea.	\$ 18,000	\$ 18,000	10	2019	50,000	42,156									56,654	
Entry Landscape	1	ea.	\$ 40,000	\$ 40,000	10	2019			52,090	53,652	110,524							
Irrigation System	1	ea.	\$ 20,000	\$ 20,000	15	2016		5,115					29,371					
Contingency (10% of project)				\$ 0														
TOTAL				<u>\$ 458,753</u>			50,000	49,742	385,756	52,090	53,652	110,524	0	29,371	0	0	48,141	56,654
<b>Fund Balance</b>																		
Beginning Balance							327,642	327,642	330,537	35,392	40,010	43,158	45,497	86,407	98,765	140,740	183,555	179,085
Funding (see Budget)		4.0%					40,000	40,000	84,000	56,000	56,000	112,000	40,000	40,000	40,000	40,000	40,000	40,000
Expenditures (above)							(50,000)	(49,742)	(385,756)	(52,090)	(53,652)	(110,524)	0	(29,371)	0	0	(48,141)	(56,654)
Transfers from Operating Fund							0	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings @		2.0%					17,438	12,637	6,611	708	800	863	910	1,728	1,975	2,815	3,671	3,582
<b>Ending Balance</b>							<u>335,080</u>	<u>330,537</u>	<u>35,392</u>	<u>40,010</u>	<u>43,158</u>	<u>45,497</u>	<u>86,407</u>	<u>98,765</u>	<u>140,740</u>	<u>183,555</u>	<u>179,085</u>	<u>166,012</u>

# Application for Exemption From Audit Long Form

## Instructions

**For local governments with either revenues or expenditures/expenses more than \$200,000 but not more than \$1,000,000**

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.), any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$1,000,000 for the year.

**Exemptions from audit are NOT automatic**

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Long Form must be a person skilled in governmental accounting.

**Read ALL instructions before completing and submitting this form**

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

### Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis**. Proprietary Activity should be reported on the **Cash or Budgetary Basis** — a budget to GAAP reconciliation is provided in Part 3B.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

**Postmark dates will not be accepted as proof of submission on or before the statutory deadline**

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the [LexisNexis Colorado portal](#).

## Checklist

- Has the preparer signed the application prior to board approval?
- Has the entity corrected all prior year deficiencies as communicated by the OSA?
- Has the application been **personally** reviewed and approved by the governing body?
- Are all sections on the form complete, including responses to all of the questions?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?

Will this application be submitted electronically?  Yes  No

- If yes, have you read and understood the Electronic Signature Policy? See policy in Part 11.

-- or --

- If yes, have you included a resolution?
  - Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?
  - Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)?  Yes  No

- If yes, does the application include **original ink signatures** from the **majority** of the governing body?

## Filing Methods

### Web Portal (recommended)

[apps.leg.co.gov/osa/lq](https://apps.leg.co.gov/osa/lq)

For faster processing, the web portal should be used for submissions.

### Mail

#### Office of the State Auditor

Local Government Audit Division  
1375 Sherman St., 5th Floor  
Denver, CO 80261-3000

Questions? Email: [osa.lg@coleg.gov](mailto:osa.lg@coleg.gov) Phone: 303-869-3000

## Contact Information

For the year ended 12/31/2025 or the fiscal year ended 12/31/2025.

Name of government	Timber Springs Metropolitan District
Street address	28 2nd St Unit 213
City, State, Zip	Edwards CO 81632
Contact person	Beth Johnston
Phone	970-926-6060
Email	bethj@mwcpaa.com

## Certification of Preparer

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. The preparer must sign prior to board approval.

Name	Beth Johnston
Title	Account Manager
Firm name (if applicable)	Marchetti & Weaver, LLC
Address	28 2nd St., Unit 213, Edwards, CO 81632
Phone	970-926-6060
Relationship to entity	Outside Accountant- all major decisions made by Board of Directors
Preparer signature	Date prepared
<b>Beth Johnston</b> Digitally signed by Beth Johnston Date: 2026.03.28 21:04:35 -06'00'	3/28/2026

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	<input type="radio"/> Yes	<input checked="" type="radio"/> No
If yes, enter date filed		

**Part 1: Financial Statements — Balance Sheet**

**Part 1A: Governmental Funds (Modified Accrual Basis) Table**

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: \_\_\_\_\_

Fund C: \_\_\_\_\_

Fund D: \_\_\_\_\_

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
<b>Assets</b>					
1-1	Cash and Cash Equivalents	\$ 317,471			
1-2	Investments				
1-3	Receivables				
1-4	Due from Other Entities or Funds	\$ 11,059			
1-5	Property Tax Receivable				
1-6	All Other Assets:				
1-7	Lease Receivable (as Lessor)				
	Other (specify in lines 1-8 through 1-10)				
1-8	Prepaid Expenses	\$ 2,079			
1-9					
1-10					
1-11	<b>TOTAL ASSETS</b> (Add lines 1-1 through 1-10 )	\$ 330,609	\$ 0	\$ 0	\$ 0
<b>Deferred Outflows of Resources</b> (specify in lines 1-12 and 1-13)					
1-12					
1-13					
1-14	<b>Total Deferred Outflows</b> (Add lines 1-12 through 1-13)	\$ 0	\$ 0	\$ 0	\$ 0
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b> (Add lines 1-11 and 1-14)	\$ 330,609	\$ 0	\$ 0	\$ 0

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
<b>Liabilities</b>					
1-16	Accounts Payable	\$ 1,595			
1-17	Accrued Payroll and Related Liabilities				
1-18	Unearned Revenue				
1-19	Due to Other Entities or Funds				
1-20	All Other Current Liabilities				
1-21	<b>TOTAL CURRENT LIABILITIES</b> (Add lines 1-16 through 1-20)	\$ 1,595	\$ 0	\$ 0	\$ 0
<b>All Other Liabilities</b> (specify in lines 1-22 through 1-25)					
1-22					
1-23					
1-24					
1-25					
1-26	<b>TOTAL LIABILITIES</b> (Add lines 1-21 through 1-25)	\$ 1,595	\$ 0	\$ 0	\$ 0
<b>Deferred Inflows of Resources</b>					
1-27	Deferred Property Taxes				
1-28	Lease related (as Lessor)				
1-29	<b>TOTAL DEFERRED INFLOWS</b> (Add lines 1-27 through 1-28)	\$ 0	\$ 0	\$ 0	\$ 0
<b>Fund Balance</b>					
1-30	Nonspendable-Prepaid	\$ 2,079			
1-31	Nonspendable-Inventory				
1-32	Restricted	\$ 8,069			
1-33	Committed				
1-34	Assigned				
1-35	Unassigned	\$ 318,866			
1-36	<b>Total Fund Balance</b> (Add lines 1-30 through 1-35. This total should be the same as line 3-34)	\$ 329,014	\$ 0	\$ 0	\$ 0
1-37	<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b> (Add lines 1-26, 1-29, and 1-36. This total should be the same as line 1-15)	\$ 330,609	\$ 0	\$ 0	\$ 0

**Part 1B: Proprietary/Fiduciary Funds Table**

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: \_\_\_\_\_

Fund B: \_\_\_\_\_

Fund C: \_\_\_\_\_

Fund D: \_\_\_\_\_

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	<b>Assets</b>				
1-38	Cash and Cash Equivalents				
1-39	Investments				
1-40	Receivables				
1-41	Due from Other Entities or Funds				
	Other Current Assets (specify in line 1-42)				
1-42					
1-43	<b>Total Current Assets</b> (Add lines 1-38 through 1-42)	\$ 0	\$ 0	\$ 0	\$ 0
1-44	Capital & Right-to-Use Assets, net (from Part 6, Capital & Right-to-Use Table)				
	Other Long Term Assets (specify in lines 1-45 through 1-47)				
1-45					
1-46					
1-47					
1-48	<b>TOTAL ASSETS</b> (Add lines 1-43 through 1-47)	\$ 0	\$ 0	\$ 0	\$ 0
	<b>Deferred Outflows of Resources</b> (specify in lines 1-49 through 1-50)				
1-49					
1-50					
1-51	<b>Total Deferred Outflows</b> (Add lines 1-49 through 1-50)	\$ 0	\$ 0	\$ 0	\$ 0
1-52	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b> (Add lines 1-48 and 1-51)	\$ 0	\$ 0	\$ 0	\$ 0

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
<b>Liabilities</b>					
1-53	Accounts Payable				
1-54	Accrued Payroll and Related Liabilities				
1-55	Accrued Interest Payable				
1-56	Due to Other Entities or Funds				
1-57	All Other Current Liabilities				
1-58	<b>TOTAL CURRENT LIABILITIES</b> (Add lines 1-53 through 1-57)	\$ 0	\$ 0	\$ 0	\$ 0
1-59	Proprietary Debt Outstanding (from Part 4, Debt Schedule Table)				
Other (specify in lines 1-60 through 1-62)					
1-60					
1-61					
1-62					
1-63	<b>TOTAL LIABILITIES</b> (Add lines 1-58 through 1-62)	\$ 0	\$ 0	\$ 0	\$ 0
<b>Deferred Inflows of Resources</b>					
1-64	Pension/OPEB Related				
Other (specify in line 1-65)					
1-65					
1-66	<b>TOTAL DEFERRED INFLOWS</b> (Add lines 1-64 through 1-65)	\$ 0	\$ 0	\$ 0	\$ 0
<b>Net Position</b>					
1-67	Net Investment in Capital and Right-to-Use Assets				
1-68	Emergency Reserves				
1-69	Other Designation/Reserves				
1-70	Restricted				
1-71	Undesignated/Unreserved/Unrestricted				
1-72	<b>Total Net Position</b> (Add lines 1-67 through 1-71. This total should be the same as 3-70.)	\$ 0	\$ 0	\$ 0	\$ 0
1-73	<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b> (Add lines 1-63, 1-66, and 1-72. This total should be the same as 1-52.)	\$ 0	\$ 0	\$ 0	\$ 0

**Part 1C: Comments or Additional Information**

---

Please use this space to provide explanation of any item in this section (optional).

**Part 2: Financial Statements — Operating Statement — Revenues**

**Part 2A: Governmental Funds Table**

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: \_\_\_\_\_

Fund C: \_\_\_\_\_

Fund D: \_\_\_\_\_

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
<b>Tax Revenue</b>					
2-1	Property (include mills levied in question 10-12)				
2-2	Specific Ownership				
2-3	Sales and Use Tax				
Other Tax Revenue (specify in lines 2-4 through 2-6)					
2-4					
2-5					
2-6					
2-7	<b>TOTAL TAX REVENUE</b> (Add lines 2-1 through 2-6)	\$ 0	\$ 0	\$ 0	\$ 0
<b>Other Revenue Sources</b>					
2-8	Licenses and Permits				
2-9	Highway Users Tax Funds (HUTF)				
2-10	Conservation Trust Funds (Lottery)				
2-11	Community Development Block Grant				
2-12	Fire & Police Pension				
2-13	Grants	\$ 144			
2-14	Donations				
2-15	Charges for Sales and Services				
2-16	Rental Income				

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
2-17	Fines and Forfeits				
2-18	Interest/Investment Income	\$ 12,638			
2-19	Tap Fees				
2-20	Proceeds from Sale of Capital Assets				
	Other (specify in lines 2-21 through 2-22)				
2-21	Transfer in from POA	\$ 256,196			
2-22					
2-23	<b>TOTAL REVENUES</b> (Add lines 2-7 through 2-22)	\$ 268,978	\$ 0	\$ 0	\$ 0
	<b>Other Financing Sources</b> (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-24	Debt Proceeds				
2-25	Lease Proceeds				
2-26	Developer Advances				
	Other (specify in line 2-27)				
2-27					
2-28	<b>Total Other Financing Sources</b> (Add lines 2-24 through 2-27)	\$ 0	\$ 0	\$ 0	\$ 0
2-29	<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b> (Add lines 2-23 and 2-28)	\$ 268,978	\$ 0	\$ 0	\$ 0

**Part 2B: Proprietary/Fiduciary Funds Table**

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: \_\_\_\_\_

Fund B: \_\_\_\_\_

Fund C: \_\_\_\_\_

Fund D: \_\_\_\_\_

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
<b>Tax Revenue</b>					
2-30	Property (include mills levied in question 10-12)				
2-31	Specific Ownership				
2-32	Sales and Use Tax				
	Other Tax Revenue (specify in lines 2-33 through 2-36)				
2-33					
2-34					
2-35					
2-36	<b>TOTAL TAX REVENUE</b> (Add lines 2-30 through 2-35)	\$ 0	\$ 0	\$ 0	\$ 0
<b>Other Revenue Sources</b>					
2-37	Licenses and Permits				
2-38	Highway Users Tax Funds (HUTF)				
2-39	Conservation Trust Funds (Lottery)				
2-40	Community Development Block Grant				
2-41	Fire & Police Pension				
2-42	Grants				
2-43	Donations				
2-44	Charges for Sales and Services				
2-45	Rental Income				
2-46	Fines and Forfeits				
2-47	Interest/Investment Income				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
2-48	Tap Fees				
2-49	Proceeds from Sale of Capital Assets				
	All Other (specify in lines 2-50 through 2-51)				
2-50					
2-51					
2-52	<b>TOTAL REVENUES</b> (Add lines 2-36 through 2-51)	\$ 0	\$ 0	\$ 0	\$ 0
	<b>Other Financing Sources</b> (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-53	Debt Proceeds				
2-54	Lease Proceeds				
2-55	Developer Advances				
	Other (specify in line 2-56)				
2-56					
2-57	<b>Total Other Financing Sources</b> (Add lines 2-53 through 2-56)	\$ 0	\$ 0	\$ 0	\$ 0
2-58	<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b> (Add lines 2-52 and 2-57)	\$ 0	\$ 0	\$ 0	\$ 0

**Part 2C: Comments or Additional Information**

Please use this space to provide explanation of any item in this section (optional).

**Part 3: Financial Statements — Operating Statement — Expenditures/Expenses**

**Part 3A: Governmental Funds Table**

Enter the type of each governmental fund in the fields below.

**Fund A:** General Fund

**Fund B:** \_\_\_\_\_

**Fund C:** \_\_\_\_\_

**Fund D:** \_\_\_\_\_

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	<b>Expenditures</b>				
3-1	General Government	\$ 6,782			
3-2	Judicial				
3-3	Law Enforcement				
3-4	Fire				
3-5	Highways & Streets				
3-6	Solid Waste				
3-7	Contributions to Fire & Police Pension Association				
3-8	Health				
3-9	Culture and Recreation				
3-10	Transfers to other districts				
	Other (specify in lines 3-11 through 3-13)				
3-11					
3-12					
3-13					
3-14	Capital Outlay	\$ 44,627			
	<b>Debt Service</b>				
3-15	Principal (from Part 4, Debt Schedule Table)				
3-16	Interest				

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
3-17	Bond Issuance Costs				
3-18	Developer Principal Repayments (from Part 4, Debt Schedule Table)				
3-19	Developer Interest Repayments				
	All Other (specify in lines 3-20 through 3-22)				
3-20					
3-21					
3-22					
3-23	<b>TOTAL EXPENDITURES</b> (Add lines 3-1 through 3-22)	\$ 51,409	\$ 0	\$ 0	\$ 0
	<b>Transfers and Other Expenditures</b>				
3-24	Interfund Transfers (In)				
3-25	Interfund Transfers (Out)				
	Other Expenditures (Revenues) (Specify in lines 3-26 through 3-28.)				
3-26					
3-27					
3-28					
3-29	<b>Total Transfers and Other Expenditures</b> (Add lines 3-24 through 3-28)	\$ 0	\$ 0	\$ 0	\$ 0
3-30	<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b> (line 2-29 less line 3-23 less line 3-29)	\$ 217,569	\$ 0	\$ 0	\$ 0
3-31	Fund Balance, January 1 from December 31 prior year report	\$ 111,445			
3-32	Prior Period Adjustment (MUST explain in line 3-33)				
3-33					
3-34	<b>FUND BALANCE, DECEMBER 31</b> (Add lines 3-30, 3-31, and 3-32. Should match line 1-36.)	\$ 329,014	\$ 0	\$ 0	\$ 0

**Part 3B: Proprietary/Fiduciary Funds Table**

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: \_\_\_\_\_

Fund B: \_\_\_\_\_

Fund C: \_\_\_\_\_

Fund D: \_\_\_\_\_

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	<b>Expenses</b>				
3-35	General Operating and Administrative				
3-36	Salaries				
3-37	Payroll Taxes				
3-38	Contract Services				
3-39	Employee Benefits				
3-40	Insurance				
3-41	Accounting and Legal Fees				
3-42	Repair and Maintenance				
3-43	Supplies				
3-44	Utilities				
3-45	Contributions to Fire & Police Pension Association				
	Other (specify in lines 3-46 through 3-47)				
3-46					
3-47					
3-48	Capital Outlay				
	<b>Debt Service</b>				
3-49	Principal (should match amount in Part 4, Debt Schedule Table)				
3-50	Interest				
3-51	Bond Issuance Costs				
3-52	Developer Principal Repayments				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
3-53	Developer Interest Repayments				
	All Other (specify in lines 3-54 through 3-57)				
3-54					
3-55					
3-56					
3-57					
3-58	<b>TOTAL EXPENSES</b> (Add lines 3-35 through 3-57)	\$ 0	\$ 0	\$ 0	\$ 0
	<b>GAAP Reconciling Items</b>				
3-59	Net Interfund Transfers (In) Out				
	Other (specify in line 3-60. Enter negative for expense.)				
3-60					
3-61	Depreciation/Amortization				
3-62	Other Financing Sources (from line 2-57)				
3-63	Capital Outlay (from line 3-48)				
3-64	Debt Principal (from line 3-49, 3-52)				
3-65	<b>Total GAAP Reconciling Items</b> (Add lines 3-60, 3-63, and 3-64, subtract lines 3-61 and 3-62)	\$ 0	\$ 0	\$ 0	\$ 0
3-66	<b>NET INCREASE (DECREASE) IN NET POSITION</b> (Line 2-58, less line 3-58, plus line 3-65, less line 3-59)	\$ 0	\$ 0	\$ 0	\$ 0
3-67	Net Position, January 1 from December 31 prior year report				
3-68	Prior Period Adjustment (MUST explain in line 3-69)				
3-69					
3-70	<b>NET POSITION, DECEMBER 31</b> (Add lines 3-66, 3-67, and 3-68. Should match line 1-72.)	\$ 0	\$ 0	\$ 0	\$ 0

**Part 3C: Grand Total of Revenues and Expenditures/Expenses**

Line	Description	Total
<b>Total Revenues per Fund</b>		
3-71	General Fund	\$ 268,978
3-72		\$ 0
3-73		\$ 0
3-74		\$ 0
3-75	<b>Governmental Funds</b> (Add lines 3-71 through 3-74)	\$ 268,978
3-76		\$ 0
3-77		\$ 0
3-78		\$ 0
3-79		\$ 0
3-80	<b>Proprietary/Fiduciary Funds</b> (Add lines 3-76 through 3-79)	\$ 0
3-81	<b>GRAND TOTAL REVENUES (ALL FUNDS)</b> (Add lines 3-75 and 3-80)	\$ 268,978
<b>Total Expenditures/Expenses per Fund</b>		
3-82	General Fund	\$ 51,409
3-83		\$ 0
3-84		\$ 0
3-85		\$ 0
3-86	<b>Governmental Funds</b> (Add lines 3-82 through 3-85)	\$ 51,409
3-87		\$ 0
3-88		\$ 0
3-89		\$ 0
3-90		\$ 0
3-91	<b>Proprietary/Fiduciary Funds</b> (Add lines 3-87 through 3-90)	\$ 0
3-92	<b>GRAND TOTAL EXPENDITURES/EXPENSES (ALL FUNDS)</b> (Add lines 3-86 and 3-91)	\$ 51,409

**IF EITHER GRAND TOTAL REVENUES OR EXPENDITURES/EXPENSES FOR ALL FUNDS IS GREATER THAN \$1,000,000 — STOP.**

You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at 303-869-3000 for assistance.

**Part 3D: Comments or Additional Information**

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Please use the space below to provide any additional information (optional).

## Part 4: Debt Outstanding, Issued, and Retired

<b>4-1</b>	Does the entity have outstanding debt?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
<b>4-2</b>	If no, skip to line 4-15. If yes, please attach a copy of the entity's debt repayment schedule.		
<b>4-3</b>	Is the debt repayment schedule attached?	<input checked="" type="radio"/> N/A	<input type="radio"/> Yes <input type="radio"/> No
<b>4-4</b>	If no, MUST explain below.		
<b>4-5</b>	Is the entity current in its debt service payments?	<input type="radio"/> Yes	<input type="radio"/> No
<b>4-6</b>	If no, MUST explain below.		
<b>4-7</b>	If no, also indicate if the government is in default with its bond agreements.	<input type="radio"/> Yes	<input type="radio"/> No

### Debt Schedule Table

Please complete the following debt schedule, if applicable.

Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
<b>4-8</b>	General Obligation Bonds				\$ 0
<b>4-9</b>	Revenue Bonds				\$ 0
<b>4-10</b>	Notes/Loans				\$ 0
<b>4-11</b>	Lease and SBITA** Liabilities (GASB 87 & 96)				\$ 0
<b>4-12</b>	Developer Advances				\$ 0
	Other (specify in line 4-13)				
<b>4-13</b>					\$ 0
<b>4-14</b>	<b>TOTAL</b> (Add lines 4-8 through 4-13)	\$ 0	\$ 0	\$ 0	\$ 0

\*Must agree to prior year-end balance

\*\*Subscription-Based Information Technology Arrangements

Comments (optional)

<b>4-15</b>	Does the entity have any authorized but unissued debt as of its fiscal year-end?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
<b>4-16</b>	If yes, how much?	\$ 2,000,000	
<b>4-17</b>	Date the debt was authorized	5/6/2014	
<b>4-18</b>	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
<b>4-19</b>	If yes, how much?		
<b>4-20</b>	Date of the most recent Service Plan	8/21/2013	
<b>4-21</b>	Does the entity intend to issue debt within the next calendar year?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
<b>4-22</b>	If yes, how much?		
<b>4-23</b>	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
<b>4-24</b>	If yes, what is the amount outstanding?		
<b>4-25</b>	Does the entity have any lease agreements?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
<b>4-26</b>	If yes, what is being leased?		
<b>4-27</b>	What is the original date of the lease?		
<b>4-28</b>	Number of years of lease?		
<b>4-29</b>	Is the lease subject to annual appropriation?	<input type="radio"/> Yes	<input type="radio"/> No
<b>4-30</b>	What are the annual lease payments?		

Please use the space below to provide any additional information (optional).

## Part 5: Cash and Investments

Please provide the entity's cash deposit and investment balances.

Line	Description	Amount
5-1	Year-end Total of all Checking and Savings Accounts	\$ 317,471
5-2	Certificates of Deposit	
5-3	<b>TOTAL CASH DEPOSITS</b> (Add lines 5-1 and 5-2)	\$ 317,471
<b>Investments</b> (Specify in lines 5-4 through 5-8. If investment is a mutual fund, please list underlying investment.)		
5-4		
5-5		
5-6		
5-7		
5-8		
5-9	<b>Total Investments</b> (Add lines 5-4 through 5-8)	\$ 0
5-10	<b>TOTAL CASH AND INVESTMENTS</b> (Add lines 5-3 and 5-9)	\$ 317,471

5-11	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes	<input type="radio"/> No
5-12	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?		<input checked="" type="radio"/> Yes	<input type="radio"/> No
5-13	If no, MUST explain below.			

Please use the space below to provide any additional information (optional).

## Part 6: Capital and Right-to-Use Assets

<b>6-1</b>	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 6.)	<input checked="" type="radio"/> Yes	<input type="radio"/> No
<b>6-2</b>	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
<b>6-3</b>	If no, MUST explain below.		

### Capital and Right-to-Use Assets Table for Governmental Funds

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
<b>6-4</b>	Land				\$ 0
<b>6-5</b>	Buildings				\$ 0
<b>6-6</b>	Machinery and Equipment				\$ 0
<b>6-7</b>	Furniture and Fixtures				\$ 0
<b>6-8</b>	Infrastructure	\$ 0	\$ 42,156		\$ 42,156
<b>6-9</b>	Construction In Progress (CIP)	\$ 0	\$ 2,471		\$ 2,471
<b>6-10</b>	Leased & SBITA Right-to-Use Assets				\$ 0
<b>6-11</b>	Intangible Assets				\$ 0
	Other (explain in line 6-12)				
<b>6-12</b>					\$ 0
<b>6-13</b>	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				\$ 0
<b>6-14</b>	Accumulated Depreciation (Enter a negative or credit balance)	\$ 0	-\$ 4,216		-\$ 4,216
<b>6-15</b>	<b>TOTAL</b> (Add lines 6-4 through 6-14)	\$ 0	\$ 40,411	\$ 0	\$ 40,411

\*Must agree to prior year-end balance.

\*\*Generally capital asset additions should be reported as capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

### Capital and Right-to-Use Assets Table for Proprietary Funds

Please complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS.

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-16	Land				\$ 0
6-17	Buildings				\$ 0
6-18	Machinery and Equipment				\$ 0
6-19	Furniture and Fixtures				\$ 0
6-20	Infrastructure				\$ 0
6-21	Construction In Progress (CIP)				\$ 0
6-22	Leased & SBITA Right-to-Use Assets				\$ 0
6-23	Intangible Assets				\$ 0
	Other (explain in line 6-24)				
6-24					\$ 0
6-25	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				\$ 0
6-26	Accumulated Depreciation (Enter a negative or credit balance)				\$ 0
6-27	<b>TOTAL</b> (Add lines 6-16 through 6-26)	\$ 0	\$ 0	\$ 0	\$ 0

\*Must agree to prior year-end balance.

\*\*Generally capital asset additions should be reported as capital outlay on line 3-48 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

## Part 7: Pension Information

<b>7-1</b>	Does the entity have an "old hire" firefighters' pension plan?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
<b>7-2</b>	Does the entity have a volunteer firefighters' pension plan?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
<b>7-3</b>	If yes, who administers the plan?		
	Indicate the contributions from the following in lines 7-4 through 7-6.		
<b>7-4</b>	Tax (property, specific ownership, sales, etc.)		
<b>7-5</b>	State contribution amount		
<b>7-6</b>	Other (gifts, donations, etc.)		
<b>7-7</b>	<b>TOTAL</b> (Add lines 7-4 through 7-6)		\$ 0
<b>7-8</b>	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

## Part 8: Budget Information

<b>8-1</b>	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes	<input type="radio"/> No
<b>8-2</b>	If no, MUST explain below.			
<b>8-3</b>	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes	<input type="radio"/> No
<b>8-4</b>	If no, MUST explain below.			
If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.				

### Appropriation Amount by Fund

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported. Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
<b>8-5</b>	General Fund	\$ 52,325
<b>8-6</b>		
<b>8-7</b>		
<b>8-8</b>		
<b>8-9</b>		

Please use the space below to provide any additional information (optional).

**Part 9: Taxpayer's Bill of Rights (TABOR)**

<b>9-1</b>	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
<b>9-2</b>	If no, MUST explain below.		

Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.

Please use the space below to provide any additional information (optional).

## Part 10: General Information

10-1	Is this application for a newly formed governmental entity?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
10-2	If yes, what was the date of formation		
10-3	Has the entity changed its name in the past or current year?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
10-4	If yes, please list the NEW name below.		
10-5	If yes, please list the PRIOR name below.		
10-6	Is the entity a metropolitan district?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
10-7	Please indicate what services the entity provides below. streets, traffic and safety controls, drainage, irrigation, design review, and covenant enforcement		
10-8	Does the entity have an agreement with another government to provide services?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
10-9	If yes, list the name of the other governmental entity and the services provided below.		
10-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	<input type="radio"/> Yes	<input checked="" type="radio"/> No
10-11	If yes, what was the date filed		
10-12	Does the entity have a certified mill levy?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
	If yes, please provide the following mills levied for the year reported (do not report dollar amounts).		
10-13	Bond redemption mills	0.000	
10-14	General/other mills	0.000	
10-15	<b>TOTAL MILLS</b> (Add lines 10-13 through 10-14.)	0.000	
10-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes <input type="radio"/> No
10-17	If no, please explain below.		

Please use the space below to provide any additional information (optional).

## Part 11: Governing Body Approval

11-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
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### Office of the State Auditor — Local Government Division Exemption Form Electronic Signature Policy and Procedure

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards must note their approval and submit the application using one of the following two methods:

- 1) Submit the application in hard copy via U.S. Mail, including original signatures.
- 2) Submit the application electronically via email and either:
  - a. include a copy of an adopted resolution that documents formal approval by the board; or
  - b. include electronic signatures obtained through a software program such as DocuSign or Echosign, in accordance with the requirements noted above.

## Governing Body Signatures

Print or type the names of all members of current governing body below.  
A majority of the members of the governing body must sign below.

<b>Board Member 1</b>		
Board member's name	Kenneth Marchetti	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
	<i>K Marchetti</i>	Mar 28, 2026
<b>Board Member 2</b>		
Board member's name	Vacant	
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
<b>Board Member 3</b>		
Board member's name	Vacant	
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
<b>Board Member 4</b>		
Board member's name	Vacant	
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
<b>Board Member 5</b>		
Board member's name	Vacant	
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
<b>Board Member 6</b>		
Board member's name	n/a	
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
<b>Board Member 7</b>		
Board member's name	n/a	
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date






# Timber Springs Metropolitan District (66529) 2025 Appl for Exempt fr Audit

Final Audit Report

2026-03-29

Created:	2026-03-29
By:	Beth Johnston (bethj@mwcpaa.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAACi4urd1qcfb37KH_yo2vAf2pe9zGSUY6

## "Timber Springs Metropolitan District (66529) 2025 Appl for Exempt fr Audit" History

-  Document created by Beth Johnston (bethj@mwcpaa.com)  
2026-03-29 - 3:32:58 AM GMT
-  Document emailed to Kenneth Marchetti (ken@mwcpaa.com) for signature  
2026-03-29 - 3:33:05 AM GMT
-  Email viewed by Kenneth Marchetti (ken@mwcpaa.com)  
2026-03-29 - 4:10:02 AM GMT
-  Document e-signed by Kenneth Marchetti (ken@mwcpaa.com)  
Signature Date: 2026-03-29 - 4:11:39 AM GMT - Time Source: server
-  Agreement completed.  
2026-03-29 - 4:11:39 AM GMT



Mountain West Insurance & Financial Services, LLC

201 Centennial St. 4<sup>th</sup> Floor, Glenwood Springs, CO 81601  
(800) 390-0559 toll-free  
(970) 945-9111 office  
(970) 945-2350 fax  
www.mtnwst.com

12/23/2025

**Insurance Ready Reference for**

**Timber Springs Property Owners Association**

**Please retain this form in your insurance file along with your policies.**

Thank you for choosing our agency for your Community Association Master Insurance Policy. To provide the best possible service to the unit owners, we ask that you review and observe the following procedures regarding coverage, claim reporting and certificates of insurance.

Retain this form for future reference with the actual policy to answer any questions that may arise. Coverage questions should be referred to your service team. It is preferred that the property manager or a board member makes contact.

Please provide a copy of the enclosed Unit Owners letter, the Association Insurance Summary, a certificate of insurance, and a copy of the association declarations and bylaws to each unit owner.

**Your Service Team**

Commercial Account Executive: Patricia Trinidad  
Commercial Account Manager: Michelle Davis  
Claims Advocate: Dustin Brown  
Phone: 970-945-9111  
Toll Free: 800-255-6390  
Fax: 970-945-2350

**Claim Reporting**

Report all claims promptly to [claims@mtnwst.com](mailto:claims@mtnwst.com) or by phone 970-945-9111

**Certificates**

All requests for certificates of insurance for lending purposes must be emailed to [assncert@mtnwst.com](mailto:assncert@mtnwst.com) or faxed to our office. The request must include the full name, physical address and complete mortgagee clause for each owner. Blank certificates may not be issued under any circumstance.

**Coverage**

Please reference the following pages for a summary of all insurance policies written through Mountain West Insurance & Financial Services, LLC.

The attached Unit Owner letter summarizes the coverage as applicable to the Association relative to our agreed interpretation of its Declarations and Bylaws.

**This notice is furnished to you in accordance with Colorado Revised Statute 38-33.3-209.4 (2) (f)**



Mountain West Insurance & Financial Services, LLC

201 Centennial St. 4<sup>th</sup> Floor, Glenwood Springs, CO 81601  
(800) 390-0559 toll-free  
(970) 945-9111 office  
(970) 945-2350 fax  
www.mtnwst.com

12/23/2025

## Insurance Summary for

### Timber Springs Property Owners Association

#### Package Policy

Carrier: American Alternative Insurance Corporation

Policy #: CAU5136935

Policy Term: 1/1/2026 to 1/1/2027

Building/Structures: **Guaranteed Replacement Cost** - \$96,425 – Incidental Only – No Residential Coverage

Personal Property: Included

Loss Assessment Income: Actual Loss Sustained

Property Deductible: \$1,000

Equipment Breakdown: Included

General Liability: \$1,000,000

Medical Payments: \$5,000

Hired & Non-Owned Auto Liability: \$1,000,000

#### Directors and Officers Liability

Carrier: Travelers Casualty and Surety Company of America

Policy #: Pending

Policy Term: 1/1/2026 to 1/1/2027

Limit: \$1,000,000

Deductible: \$2,500

#### Fidelity

Carrier: American Alternative Insurance Corporation

Policy #: CAU5136935

Policy Term: 1/1/2026 to 1/1/2027

Combined Employee Dishonesty, Computer Fraud, Depositors Forgery Limit: \$150,000

Deductible: \$0

#### Disclaimer

This is only a summary of the insurance policies written through Mountain West Insurance & Financial Services, LLC for Timber Springs Property Owners Association. Please consult the actual policies for complete coverage, limits, endorsements, and exclusions.





## ADDITIONAL REMARKS SCHEDULE

AGENCY <b>Mountain West Insurance - Glenwood</b>		NAMED INSURED <b>Timber Springs Property Owners Association c/o Marchetti &amp; Weaver LLC 28 Second Street - Suite 213 Edwards, CO 81632</b>	
POLICY NUMBER <b>SEE PAGE 1</b>		EFFECTIVE DATE: <b>SEE PAGE 1</b>	
CARRIER <b>SEE PAGE 1</b>	NAIC CODE <b>SEE P 1</b>		

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

**Additional Coverage Information****\*\*Guaranteed Replacement Cost Applies\*\*****\*\*NO RESIDENTIAL COVERAGE, HOA ONLY\*\*****Special Causes of Loss****Property Deductible: \$1,000****Equipment Breakdown: Included****Inflation Guard: N/A****Agreed Value: N/A****Directors and Officers Liability****Carrier: Travelers Casualty and Surety Company of America****Policy #: Pending****Policy Term: 1/1/2026 to 1/1/2027****Limit: \$1,000,000****Deductible: \$2,500****Notice of Cancellation:****10 Days - For Non-Payment of Premium****30 Days - Minimum All Other Reasons**



# STATE OF COLORADO

DEPARTMENT OF  
STATE

## CERTIFICATE

I, DONETTA DAVIDSON, SECRETARY OF STATE OF THE STATE OF  
COLORADO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF  
THIS OFFICE,

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.  
(COLORADO NONPROFIT CORPORATION)

BECAME INCORPORATED UPON FILING ARTICLES OF INCORPORATION  
DATED June 06, 2001.

DATED: June 06, 2001

A handwritten signature in cursive script that reads "Donetta Davidson". The signature is written in black ink and is positioned above a horizontal line.

SECRETARY OF STATE

FILED  
DONETTA DAVIDSON  
COLORADO SECRETARY OF STATE

**ARTICLES OF INCORPORATION  
OF  
TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.**

The undersigned, acting as incorporator of a corporation under the Colorado Revised Nonprofit Corporation Act, hereby certifies the following Articles:

**ARTICLE 1  
NAME**

20011113322 M  
\$ 100.00  
SECRETARY OF STATE  
06-06-2001 07:50:10

The name of the corporation is Timber Springs Property Owners Association, Inc.

**ARTICLE 2  
PERIOD OF EXISTENCE**

Timber Springs Property Owners Association, Inc. (the "Association") shall have perpetual existence.

**ARTICLE 3  
PURPOSES AND POWERS**

3.1 Purposes. The purposes and objectives for which the Association is formed are as follows:

3.1.1 To promote, undertake and advance any and all lawful activities and objectives for the general benefit, well-being, advancement, improvement and enjoyment of the Association and its members;

3.1.2 To provide for the care, upkeep and supervision of Timber Springs (the "Property"), as more fully described in the Declaration of Covenants, Conditions, Restrictions and Easements for Timber Springs and all supplements and amendments thereto filed of record from time to time in the Office of the Clerk and Recorder, Eagle County, Colorado (the "Declaration"), including the Common Area, including any easements and/or Roads not otherwise maintained by any other authority (each capitalized term not otherwise defined in these Articles of Incorporation shall have the meanings specified or used in the Declaration);

3.1.3 To provide an entity for the furtherance of the interests of the Owners of the Property.

3.2 Powers. Subject to any specific limitation imposed by these Articles of Incorporation, the Association shall have the following powers:

3.2.1 All of the powers conferred upon nonprofit corporations by the laws of the State of Colorado in effect from time to time.

COMPUTER UPDATE COMPLETE  
MJ

3.2.2 All of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration, including, without limitation, the following powers:

3.2.2.1 Subject to the budgeting procedures contained in the Declaration, to make and collect assessments against Members for the purpose of paying the costs, expenses and any losses of the Association, or of exercising its powers or of performing its functions;

3.2.2.2 To manage, control, operate, maintain, repair and improve the Common Area (including easements and/or Roads not otherwise maintained by any other authority), and perform or delegate any Function;

3.2.2.3 To enforce covenants, restrictions and conditions affecting the Property to the extent the Association may be authorized under any such covenants, restrictions or conditions and to make and enforce rules and regulations for use of the Property;

3.2.2.4 To engage in activities which will actively foster, promote and advance the interests of the Owners;

3.2.2.5 Subject to restrictions set forth in the Declaration, to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any purpose of the Association;

3.2.2.6 Subject to restrictions set forth in the Declaration, to borrow money and secure the repayment of monies borrowed for any purpose of the Association, limited in amount or in other respects as may be provided in the Bylaws or in the Declaration;

3.2.2.7 To enter into, make, perform or enforce contracts of every kind and description, including, without limitation, a contract for management services, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private; and

3.2.2.8 To adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association, provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 3 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article 3, except for those limitations set forth in paragraph 3.3 below.

3.3 Restrictions Upon Purposes and Powers; Dissolution. The foregoing purposes and powers of the Association are subject to the following limitations:

3.3.1 The Association shall be organized and operated exclusively for nonprofit purposes as set forth in the Internal Revenue Code of 1986, as it is now or may hereafter be amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

3.3.2 No part of the net earnings of the Association shall inure to the benefit of any Member (except that reasonable compensation may be paid for services rendered to or for the Association and affecting one (1) or more of its purposes and objectives, and reimbursement may be made for any expenses incurred for the Association by any officer, director, Member, agent, or employee, or any person or corporation, pursuant to and upon authorization of the Executive Board).

3.3.3 The Association shall not pay any dividends. Subject to restrictions set forth in the Declaration, no distribution of the corporate assets to Members (as such) shall be made until all corporate debts are paid, and then only upon final dissolution of the Association by the affirmative vote of all of the Members at any regular or special meeting called for that purpose at which a quorum shall be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts shall be distributed pro rata among the Members of the Association.

**ARTICLE 4  
INITIAL REGISTERED OFFICE AND AGENT**

The initial registered office of the Association shall be 105 Edwards Village Boulevard, Building G, P.O. Box 988, Edwards, Colorado 81632. The initial registered agent at such office shall be Lance Badger. The principal office is located at 105 Edwards Village Boulevard, Building G, P.O. Box 988, Edwards, Colorado 81632.

**ARTICLE 5  
MEMBERSHIP**

5.1 Qualifications. The Association shall be a membership corporation without certificates or shares of stock and shall consist of one class of membership consisting of all Owners including Declarant so long as Declarant continues to own an interest in any Lot. The rights and obligations of membership are set forth in the Declaration and Bylaws of the Association. Membership shall terminate automatically without any Association action whenever such entity or individual ceases to own a Lot. Termination of membership shall not relieve or release any former Member from any liability or obligation incurred by virtue of, or in any way connected with, ownership of a Lot, or impair any rights or remedies which the Association or others may have against such former Member arising out of, or in any way connected with, such membership.

5.2 Suspension of Voting Rights. The Association may suspend the voting rights of a Member for failure to pay any Assessments or for failure to otherwise comply with the rules and

regulations or the Bylaws of the Association, or with any other obligations of the Members under the Declaration, or agreement(s) created pursuant thereto.

5.3 Bylaws. The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the Members.

**ARTICLE 6  
EXECUTIVE BOARD**

The business and affairs of the Association shall be conducted, managed, and controlled by an Executive Board, the members of which are sometimes referred to as "directors".

6.1 Number; Manner of Election. The Executive Board shall consist of not less than three (3) members, and the names and addresses of the members of the initial Executive Board are as follows:

<u>Name</u>	<u>Address</u>
Lance Badger	P.O. Box 988 Edwards, Colorado 81632
David Hill	P.O. Box 988 Edwards, Colorado 81632
<del>John Reed</del> Replaced w/ Steve Boblak	P.O. Box 988 Edwards, Colorado 81632

The initial members of the Executive Board shall serve until the earlier of (a) the date of replacement by Declarant during the time period Declarant owns an interest in any Lot, or (b) the date of election by the Owners after Declarant no longer owns any interest in a Lot. After Declarant no longer owns an interest in any Lot, the terms of office of directors and the manner of their selection or election shall be determined according to the Bylaws from time to time in effect. Directors may be removed and vacancies on the Executive Board shall be filled in the manner provided in the Bylaws.

**ARTICLE 7  
OFFICERS**

The Executive Board may appoint a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the Association. The officers shall have such duties as may be prescribed in the Bylaws.

**ARTICLE 8  
NON-LIABILITY AND INDEMNIFICATION**

8.1 Limitation on Liability. To the fullest extent permitted by the Colorado Revised NonProfit Corporation Act, as the same exists or may hereafter be amended, a director of the Association shall not be liable to the Association or its Members for monetary damages for breach of fiduciary duty as a director.

8.2 Definitions. For purposes of this Article, the following terms shall have the meanings set forth below:

8.2.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

8.2.2 Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a director or officer of the Association or a member of a committee formed by the Association or, while a director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a director, officer, member, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

8.3 Indemnification. The Association shall indemnify any Indemnified Party in any Proceeding to the fullest extent permitted by law, including, without limitation, the advancement of expenses incurred by an Indemnified Party.

8.4 Insurance. By action of the Executive Board, notwithstanding any interest of the directors in such action, the Association may purchase and maintain insurance, in such amounts as the Executive Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

8.5 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as to the Executive Board may appear appropriate in each specific case and circumstance including, without limitation, any one or more of the following: (a) that any counsel representing the Indemnified Party in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the Indemnified Party and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any Proceeding made, initiated or threatened against the Indemnified Party; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to

all of the Indemnified Party's right of recovery, and that the Indemnified Party shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

**ARTICLE 9  
AMENDMENTS**

The Association reserves the right to amend, alter, or change any provision contained in these Articles of Incorporation by a vote of at least sixty percent (60%) of the Members of the Association at any regular or special meeting of the Members of the Association, provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration, and any amendment which materially adversely affects one or more Members shall require the consent of such Member(s). No amendment which affects the rights of Declarant reserved in the Association Documents shall be valid without the written consent of Declarant.

**ARTICLE 10  
INCORPORATOR**

The name and address of the incorporator of the Association is as follows:

Wear, Travers, Krueger & Perkins, P.C.  
1000 South Frontage Road West, Suite 200  
Vail, Colorado 81657

Dated this 5th day of June, 2001.

WEAR, TRAVERS, KRUEGER & PERKINS, P.C.

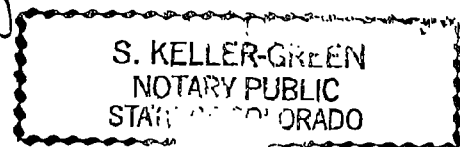
By: Carol Davis Krueger  
Carol Davis Krueger, Assistant Vice President

STATE OF COLORADO )  
 )ss.  
COUNTY OF EAGLE )

Before me, Sharon Keller Green a Notary Public of Colorado, on the 5th day of June, 2001 personally appeared Carol Davis Krueger as Assistant Vice President of Wear, Travers, Krueger & Perkins P.C., a Colorado professional corporation, to me known and known to be the person who signed the foregoing Articles of Incorporation, who being duly sworn acknowledged that she signed, sealed and delivered the same as her voluntary act and deed, for the uses and purposes therein expressed, and that the facts stated therein are true.

Witness my hand and official seal.  
My Commission Expires: 10/02/01  
[SEAL]

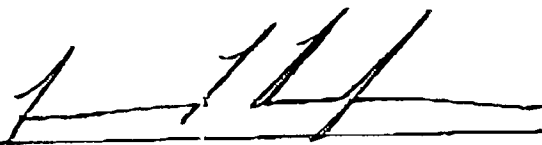
Sharon Keller Green  
Notary Public



Separate Acceptance

With the execution of this document, the undersigned hereby assents to the undersigned's appointment as initial registered agent of Timber Springs Property Owners Association, Inc. as set forth in the Articles of Incorporation of Timber Springs Property Owners Association, Inc.

Signed this 5th day of June, 2001.



Lance Badger

**BYLAWS  
OF  
TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE 1  
OFFICES**

Timber Springs Property Owners Association, Inc. (the "Association") is a Colorado non-profit corporation, with its principal office located at 105 Edwards Village Boulevard, Building G, P.O. Box 988, Edwards, Colorado 81632. The Association may also have other offices and may carry on its purposes at such other places within and outside the State of Colorado as the Executive Board may from time to time determine.

**ARTICLE 2  
DEFINITIONS AND ASSENT**

2.1 Definitions. The definitions contained in the Declaration of Covenants, Conditions, Restrictions and Easements for Timber Springs, as amended from time to time and recorded in the Office of the Clerk and Recorder of Eagle County, Colorado, shall apply to these Bylaws, and all defined terms used in the Bylaws shall have the same meaning as defined terms used in the Declaration.

2.2 Assent. All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other persons using the facilities of Timber Springs (the "Property") in any manner are subject to the Association Documents, including these Bylaws. The acquisition or rental of any of the Lots in Timber Springs or the occupancy of any improvements located thereon shall constitute ratification and acceptance of these Bylaws.

**ARTICLE 3  
MEMBERSHIP, VOTING, QUORUM AND PROXIES**

3.1 Membership and Voting. The Association shall be a membership corporation without certificates or shares of stock. The Association shall have one (1) class of voting membership consisting of all Owners, and, except as otherwise provided for in the Declaration or Articles of Incorporation, each Owner shall be entitled to vote in Association matters on the basis of one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members of the Association. The vote for each such Lot shall be exercised by one (1) person or alternative persons (who may be a tenant of the Owners) appointed by proxy in accordance with these Bylaws. In the absence of a proxy, the vote allocated to the Lot shall be suspended in the event more than one (1) person or entity seeks to exercise the right to vote on any one matter. Any Owner may assign his voting right to a tenant provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. In no event shall more than one (1) vote be cast with respect to any one (1) Lot.

Membership shall terminate automatically without any Association action whenever an Owner ceases to own a Lot. Termination of membership shall not relieve or release any former



Owner from any liability or obligation incurred by virtue of, or in any way connected with, ownership of a Lot, or impair any rights or remedies which the Association or others may have against such former Owner arising out of, or in any way connected with, such membership.

3.2 Declarant Control. Notwithstanding anything to the contrary provided for herein, Declarant shall be entitled to appoint and remove the members of the Association's Executive Board and officers of the Association so long as Declarant owns any interest in any Lot.

3.3 Election of Directors. Upon Declarant's conveyance of all of Declarant's interest in each of the Lots, the Owners shall elect directors to the Executive Board, and each Member shall have the right to vote the number of votes to which he is entitled for as many persons as there are directors to be elected, and for whose election he is entitled to vote. Cumulative voting shall not be allowed.

3.4 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of a majority of the votes entitled to be cast at such meeting shall constitute a quorum.

3.5 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. All proxies must be in writing and may be either general or for a particular meeting. A proxy holder need not be an Owner.

3.6 Majority Vote. Unless a different percentage is required by law, the Declaration, the Articles of Incorporation or these Bylaws, the affirmative vote of more than fifty percent (50%) of the votes represented at a meeting duly called and convened at which a quorum is present shall be sufficient to adopt decisions binding on all Members.

#### **ARTICLE 4 MEETINGS**

4.1 Annual Meeting. The annual meeting of the Members shall be held at a time and date designated by the Executive Board in each calendar year for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

4.2 Special Meeting. Special meetings of the Members for any purpose other than those regulated by statute may be called by the President of the Association, by a majority of the Executive Board, or by petition of at least fifty percent (50%) of the Members of the Association.

4.3 Notice of Meetings. The President or Secretary shall give, or cause to be given, written notice of the time, place and if a special meeting, the purpose, of each meeting by mailing, postage prepaid, or hand-delivering such notice at least ten (10) days, but not more than fifty (50) days, prior to such meeting to each Member of the Association at the address of such Members that appears in the records of the Association. The Executive Board may set a record date for determination of Members entitled to notice of and to vote at a meeting. If no such record date is set by the Executive Board, the date of mailing of the written notice of meeting shall for all purposes be deemed the record date for such meeting.

4.4 Adjourned Meetings. If, at the time and place of meeting, a quorum is lacking, the chairman of the meeting, or the Members holding a majority of the votes present in person or by proxy, may adjourn the meeting from time to time until a quorum exists. At any adjourned meeting at which a quorum exists, any business may be transacted which might have been transacted at the original meeting.

4.5 Waiver of Notice. Any Member may at any time waive any notice required to be given under these Bylaws, by statute or otherwise. The presence of a Member in person at any meeting of the Members shall constitute a waiver, unless such presence is for the express purpose of objecting to the meeting for the reason that it was not lawfully called.

4.6 Place of Meetings. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If there is no such waiver, the place for annual and special meetings shall be the principal office of the Association.

4.7 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote with respect to such action.

4.8 Order of Business. The order of business at all meetings of Members shall be as follows:

- (a) Roll call;
- (b) Statement of compliance with procedures for notice of meeting or waiver of notice;
- (c) Reading of minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors (annual meetings only);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

4.9 Rules of Meetings. The Executive Board may prescribe reasonable rules for the conduct of all meetings of the Executive Board and Members and in the absence of such rules, Robert's Rules of Order shall be used.

## **ARTICLE 5 EXECUTIVE BOARD**

5.1 Association Responsibilities. The Owners will constitute the Association, who will have the responsibility of administering the Property through an Executive Board. In the event of any dispute or disagreement between any Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration, Articles or Bylaws,

such dispute or disagreement shall be submitted to the Executive Board. The determination of such dispute or disagreement by the Executive Board shall be binding on all such Owners, subject to the right of Owners to seek other remedies provided by law after such determination by the Executive Board.

5.2 Number of Directors on Executive Board. The affairs of the Association shall be managed by an Executive Board of three (3) directors who shall be members of the Association or the delegates of Members who may be appointed by proxy under Section 3.5 above (except the directors selected by Declarant as provided in Section 3.2 need not be members of the Association). The number of the Executive Board shall be established from time to time by amendment to these Bylaws.

5.3 Term of Office of Directors. The term of office for the initial directors appointed by Declarant shall be for a term commencing with the formation of the Association until the earlier of (a) the date of replacement by Declarant during the time period Declarant owns an interest in any Lot, or (b) the date of election by the Owners after Declarant no longer owns any interest in a Lot. Declarant may elect to replace any such director appointed by it at any time. Upon Declarant's conveyance of all of Declarant's ownership interest in each of the Lots, the term of the directors shall be staggered at the outset in order to establish a system of three (3) year terms in which at least one-third (1/3) of the Executive Board is elected each year, and the Executive Board shall identify in which year each director is subject to election. At the expiration of the initial staggered term of such directors, a successor shall be elected to serve for a term of three (3) years. Each director shall hold office until such director's successor is elected by the Association and qualified.

5.4 Removal of Directors; Vacancies. Directors may be removed and vacancies on the Executive Board may be filled as follows:

5.4.1 By the Members. After Declarant's conveyance of its interest in each of the Lots and the election of the directors on the Executive Board by the Members, any director may be removed, with or without cause, at any regular or special meeting of the Members by a majority of votes of the Members entitled to vote for a successor. A successor to any director removed may be elected at such meeting to fill the vacancy created by removal of the director. A director whose removal is proposed by the Members shall be given notice of the proposed removal at least ten (10) days prior to the date of such meeting and shall be given an opportunity to be heard at such meeting.

5.4.2 By the Executive Board. Any director who has three (3) consecutive unexcused absences from Executive Board meetings or who is delinquent in the payment of any Assessment for more than thirty (30) days may be removed by a majority vote of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Executive Board. In the event of the death, disability, resignation or removal by the Executive Board, as set forth in this subsection 5.4.2, of a director, a vacancy may be declared by the Executive Board, and the Executive Board may appoint a successor. Any successor appointed by the Executive Board shall serve for the remainder of the term of the director replaced.

5.5 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential project. The Executive Board may do all such acts and things as are not by law, the Articles, these Bylaws or the Declaration either prohibited or directed to be exercised and done by the Owners.

5.6 Other Powers and Duties. The Executive Board shall be empowered and shall have the duties as follows:

5.6.1 to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and in the Articles and these Bylaws;

5.6.2 to establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Lots and the Common Area, with the right to amend same from time to time (a copy of such rules and regulations shall be delivered or mailed to each Owner promptly upon the adoption thereof);

5.6.3 to keep in good order, condition and repair the Common Area and all items of personal property owned by the Association, if any, and used in the enjoyment of the Property;

5.6.4 to obtain and maintain to the extent obtainable all policies of insurance required by the Declaration;

5.6.5 subject to the budgeting procedures contained in the Declaration, to periodically fix, determine, levy and collect the Assessments to be paid by each of the Owners towards the Common Expenses of the Association and to adjust, decrease or increase the amount of the Assessments, refund any excess Assessments to the Owners, credit any excess of Assessments over expenses and cash reserves to the Owners against the next succeeding assessment period, or place any excess Assessments into an Association working capital fund or designated replacement reserves;

5.6.6 to levy and collect Special Assessments in accordance with the provisions of the Declaration, whenever in the opinion of the Executive Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All Special Assessments shall be in statement form and shall set forth in detail the various expenses for which the Assessments are being made;

5.6.7 to impose penalties and collect Default Assessments by suit or otherwise, to collect costs and reasonable attorney's fees, and to enjoin or seek damages from an Owner as is provided in the Declaration;

5.6.8 to protect and defend the Property from loss and damage by suit or otherwise;

5.6.9 to borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary or desirable;

5.6.10 to enter into contracts within the scope of its duties and powers;

5.6.11 to establish bank accounts which are interest-bearing or non-interest bearing, as may be deemed advisable by the Executive Board;

5.6.12 to keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit inspection thereof as is provided in the Declaration and these Bylaws and, upon the vote of at least sixty percent (60%) of the Owners, to cause a complete audit to be made of the books and records by a competent certified public accountant;

5.6.13 to designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Area and performance of any Functions (as such term is defined in the Declaration);

5.6.14 to suspend the voting rights of an Owner for failure to comply with these Bylaws or the rules and regulations of the Association or with any other obligations of the Owners pursuant to the Declaration;

5.6.15 to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any purpose of the Association, subject to the Declaration and Bylaws of the Association;

5.6.16 in general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operating of the Property.

5.7 Manager. The Executive Board may employ for the Association a Manager (at a compensation established by the Executive Board) to perform such duties and services as it shall authorize. The Executive Board may delegate any of the powers and duties granted to it but, notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Articles or these Bylaws.

5.8 Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least one (1) such meeting shall be held each year. Notice of regular meetings of the Executive Board shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting.

5.9 Special Meetings. Special meetings of the Executive Board may be called by the President, on his own initiative, on three (3) days' notice to each director, given personally, or by mail, telephone or telegraph, which notice shall set forth the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on receipt of a written request to call such a special meeting from at least two (2) directors.

5.10 Waiver of Notice. Before or at any meeting of the Executive Board, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Executive Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

5.11 Executive Board's Quorum. At all meetings of the Executive Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Executive Board. If at any meeting of the Executive Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

5.12 Compensation; Fidelity Bonds. The members of the Executive Board shall serve without salary or compensation. The Executive Board may employ professional consultants for the Association at a compensation established by the Executive Board. Fidelity bonds or insurance must be maintained by the Association to protect against dishonest acts on the part of its directors, officers, trustees, employees, managers and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than what would constitute two (2) months' current assessments plus reserves as calculated from the current budget of the Association. Any such fidelity coverage shall name the Association as an obligee or insured, as applicable, and such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The premiums on such bonds shall be paid by the Association. All funds and accounts of the Association being held by a Manager or other third persons shall be kept in an account separate from the funds of other parties held by such managing agent or third party, and all reserves of the Association shall be kept in an account separate from the operational account of the Association. The Association shall provide to each Member free of charge, an annual accounting of Association funds and a compilation financial statement prepared by or under the supervision of a certified public accountant each year for which an audited financial statement is not prepared.

5.13 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject

matter thereof. Such consent shall have the same force and effect as the unanimous vote of the directors.

5.14 Teleconference Meetings. Any regular or special meeting of the Executive Board may be conducted by teleconference, followed by minutes of such meeting, which shall be distributed to each director.

5.15 Executive Board Committees. The Executive Board may by resolution provide for such standing or special committees as it deems desirable, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the Executive Board. Vacancies in such committees shall be filled by the Executive Board or as the Executive Board may provide.

## **ARTICLE 6 OFFICERS**

6.1 General. The officers of the Association (who shall be elected from among the members of the Executive Board) shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer. The officers shall be elected by an affirmative vote of a majority of the members of the Executive Board. The Executive Board may elect such other officers, assistant officers, committees and agents, including Assistant Secretaries and Assistant Treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Executive Board. One (1) person may hold two (2) offices. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Executive Board, such officer, agent or employee shall follow the orders and instructions of the President.

6.2 Removal of Officers. Upon an affirmative vote of a majority of the members of the Executive Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose.

6.3 Vacancies. A vacancy in any office, however occurring, may be filled by an affirmative vote of a majority of the members of the Executive Board for the unexpired portion of the term.

6.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Executive Board. He shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees. The President has the authority to prepare, execute, certify and record documents reflecting amendment to the Declaration which are properly amended pursuant to the provisions of the Declaration.

6.5 Vice Presidents. The Vice Presidents shall assist the President and shall perform such duties as may be assigned to them by the President or by the Executive Board. In the

absence of the President, the Vice President elected by the Executive Board shall have the powers and perform the duties of the President.

6.6 Secretary. The Secretary shall keep the minutes of the proceedings of the Members and the Executive Board. He shall see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law. He shall be custodian of the corporate records. He shall keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all Members, the designation of the Lot owned by each Member and, if such Lot is mortgaged, the name and address of each mortgagee. He shall, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Executive Board. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

6.7 Treasurer. The Treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Executive Board. He shall receive and give receipts and acquittances for monies paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the Executive Board, shall make such reports to it as may be required at any time. He shall, if required by the Executive Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Executive Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Executive Board or the President. The Assistant Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

## **ARTICLE 7 INDEMNIFICATION**

7.1 Definitions. For purposes of this Article 7, the following terms shall have the meanings set forth below:

7.1.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

7.1.2 Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a director or officer of the Association or a member of a committee formed by the Association or, while a director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a director, officer, member, partner, trustee, employee or agent of another

corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

7.1.3 Indemnification. The Association shall indemnify any Indemnified Party in any Proceeding to the fullest extent permitted by law, including, without limitation, the advancement of expenses incurred by an Indemnified Party.

7.1.4 Insurance. By action of the Executive Board, notwithstanding any interest of the directors in such action, the Association may purchase and maintain insurance, in such amounts as the Executive Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

7.2 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article 7, such reasonable requirements and conditions as to the Executive Board may appear appropriate in each specific case and circumstance including, without limitation, any one or more of the following: (a) that any counsel representing the Indemnified Party in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the Indemnified Party and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any Proceeding made, initiated or threatened against the Indemnified Party; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the Indemnified Party's right of recovery, and that the Indemnified Party shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

## **ARTICLE 8 AMENDMENT OF BYLAWS**

8.1 Amendment by the Members. These Bylaws may be amended by the affirmative vote of at least seventy percent (70%) of the Members within the Association present or represented by proxy at any regular or special meeting. However, notwithstanding the foregoing, no provisions of these Bylaws may be amended by a number of Owners which is less than the number of Owners that is required within that particular provision to take certain action. Amendments may be proposed by the Executive Board or by petition signed by at least a majority of the Members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment will be voted upon.

8.2 Amendment by the Executive Board. These Bylaws may be amended by the unanimous vote of the Executive Board at any regular or special meeting. A statement of any proposed amendment shall accompany the notice of any regular or special Executive Board meeting at which such proposed amendment will be voted upon. No amendment may be adopted by the Executive Board which conflicts with an amendment adopted by the Members.

8.3 Scope of Amendments. These Bylaws may not be amended in a manner inconsistent with the Articles of Incorporation of the Association, the Declaration, or any applicable provision of Colorado law. In addition, any amendment which materially adversely affects one or more Members shall require the consent of such Member(s). No amendment which affects the rights of Declarant reserved in the Association Documents shall be valid without the written consent of Declarant.

## **ARTICLE 9 MISCELLANEOUS**

9.1 Registration of Mailing Address. If a Lot is owned by two (2) or more Owners, such co-owners shall designate one (1) address as the registered address required by the Declaration and shall designate the "voting member." An Owner or Owners shall notify the Secretary of his or their (a) registered address within five (5) days after any transfer of title or change of address, and (b) "voting member" within five (5) days after any transfer of title or designation thereof. Such notice shall be written and signed by all of the Owners to which it relates or by such persons authorized to sign on behalf of such Owners.

9.2 Notice to Association. Every Owner shall timely notify the Association of the name and address of any mortgagee, purchaser, transferee or lessee of his Lot. The Association shall maintain such information at the office of the Association.

9.3 Proof of Ownership. Except for those Owners who initially purchase a Lot from Declarant, every person becoming an Owner shall immediately furnish to the Executive Board a photocopy or a certified copy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of Members unless this requirement is first met.

9.4 Character of Association. This Association is not organized for profit. No Member, member of the Executive Board, officer or person for whom the Association may receive any property or funds shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any of the Executive Board, officers or Members, except upon a dissolution of the Association; provided, however, that (a) reasonable compensation may be paid to any Member, Manager, director, or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (b) any Member, Manager, director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

9.5 Right of Entry. The Manager and any person authorized by the Executive Board shall have the right to enter upon each Lot in case of any emergency originating in or threatening such Lot whether or not the Owner or occupant is present at the time.

9.6 Fiscal Year. The fiscal year of the Association shall be determined by the Executive Board and shall be subject to change by the Executive Board as necessary.

9.7 Annual Budget. Within thirty (30) days after the adoption of any proposed budget for the Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all of the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of the Owners of Lots reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board. The Executive Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Executive Board shall levy, and assess the Association's annual Assessments in accordance with the annual budget.

9.8 Inspection of Records. Any Owner or mortgagee holding a first lien may inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon fourteen (14) days' notice to the Executive Board, the Manager (if any) or registered agent of the Association, and upon payment of a reasonable fee, not to exceed Twenty Dollars (\$20.00), any Owner or first mortgagee shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner, as more fully set forth in the Declaration.

9.9 Captions. The captions and headings in these Bylaws are for convenience only and shall not be considered in construing any provision of these Bylaws.

9.10 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

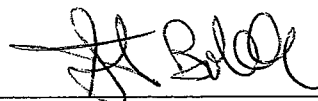
#### CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted by written action of the Executive Board and of the Members of the Association, to be effective as of June 6, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name to be effective as of June 6, 2001.



Steve Boblak, Secretary

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# RECORD OF PROCEEDINGS

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**Minutes of Action Taken  
By Consent of the Directors  
Without a Meeting  
Timber Springs Property Owner's Association  
August 6, 2007**

As permitted by law, the undersigned Directors, being all of the Directors of the Timber Springs Property Owner's Association, unanimously agree to waive the notice requirement for a meeting and to adopt the following action(s) without a meeting.

The Policies and Procedures enumerated below and a copy of which are attached hereto and incorporated herein are hereby unanimously adopted:

1. Conduct of Meetings
2. Inspection and Copying of Association Records
3. Conflicts of Interest
4. Collection of Unpaid Assessments
5. Enforcement of Covenants and Rules
6. Investment of Reserve Funds
7. Adoption and Amendment of Policies, Procedures and Rules
8. Disputes between the Association and its members

These minutes may be executed in counterparts.

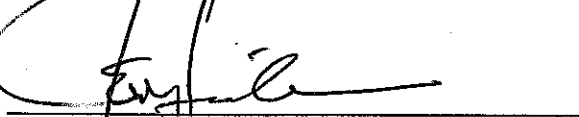
Dated this 6<sup>th</sup> day of August, 2007.



Michael Barry



Patrick Martin



Jerry Fjala

**Wear, Travers & Perkins**  
A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
THE GLEN LYON BUILDING  
1000 S. FRONTAGE ROAD WEST, SUITE 200  
VAIL, COLORADO 81657

JAMES R. WEAR  
RICHARD D. TRAVERS  
GREGORY W. PERKINS

WENDY R. ST. CHARLES  
TIMOTHY N. DEVLIN  
ERIN D. MCMANUS

TELEPHONE: (970) 476-7646  
FACSIMILE: (970) 476-7118  
E-MAIL: weartrav@weartrav.com

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**MEMORANDUM**

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**TO:** Executive Board  
Timber Springs Property Owners Association, Inc.

**FROM:** Timothy N. Devlin  
Wear Travers & Perkins, P.C.

**DATE:** July 27, 2007

**RE:** Senate Bill 100/89 Compliance

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Colorado law relating to property owners' associations was significantly amended during the 2005 and 2006 sessions of the Colorado legislature, by acts commonly known as "Senate Bill 100" and "Senate Bill 89". This memorandum summarizes the significant changes and sets forth action items for the Board's consideration to ensure compliance with the new laws.

1. DESIGN REVIEW MATTERS

Under certain circumstances, the Association may regulate, but may not prohibit, (i) display of the American flags or military service flags, or the installation of flagpoles; or (ii) display of political signs; and (iii) the removal of trees, shrubs or other vegetation for fire mitigation purposes. In addition, the Association can not require the use of cedar shakes or other flammable roofing materials.

**Action Item:** Staff to review Design Guidelines to determine if revisions are necessary to comply. The Board should then consider whether it desires to adopt regulations regarding display of signs and flags, or vegetation removal.

2. MEETINGS; OWNER AND BOARD EDUCATION

Notice of owners' meetings must now be posted in a conspicuous place, and associations are encouraged to post notices and agendas on a website.

The association is required to adopt written policies regarding the conduct of meetings. A form of such policy is attached to this memorandum for the Board's review and approval.

Contested board elections must now be conducted by secret ballot, and, at the request of 20% of unit owners in attendance at the meeting in person or by proxy, any other vote must be taken by a secret ballot.

In addition, associations are required to offer to their owners, at least annually and free of charge, education as to the general operation of the association and the rights and responsibilities of owners, the association and the board under Colorado law. We recommend that this education be offered in connection with the annual meeting of owners, for a short time either before or after the meeting.

The Association may, but is not required to, reimburse Board members for expenses incurred in attending seminars on responsible governance of owners' associations.

**Action Items:** Board review and adopt Meeting Policy (attached).  
Schedule owner education in connection with annual meetings.

### 3. DISCLOSURES; ASSOCIATION RECORDS

If the association's address, designated agent, or management company changes, within 90 days after such change the association shall make updated information readily available at no cost to owners at their convenience, either by posting on an internet web page, maintenance of a literature table or binder at the association's principal place of business, or by mail or personal delivery: (i) the name of the association and its physical address and phone number; (ii) the name of the association's manager and its physical address and phone number; and (iii) the date and reception number for recording of the association's declaration.

In addition, within 90 days after the end of each fiscal year, the association must make the following information readily available at no cost to owners at their convenience, either by posting on an internet web page, maintenance of a literature table or binder at the association's principal place of business, or by mail or personal delivery: (i) the commencement date of the association's fiscal year; (ii) the association's operating budget for the current fiscal year; (iii) a list of current regular and special assessments by unit type; (iv) annual financial statements for the immediately preceding fiscal year; (v) the results of the most recent available financial audit or review; (vi) a list of all association insurance policies, including company names, policy limits and deductibles, additional named insureds and expiration dates of the policies; (vii) the association's

articles of incorporation, bylaws, and rules and regulations; (viii) the minutes of board of directors/ executive board and member meetings for the immediately preceding fiscal year; and (ix) the policies of the association adopted pursuant to CRS § 38-33.3-209.5 (see "POLICIES" section below).

Further, the association must keep the following permanent records: (a) minutes of all meetings of unit owners and all actions taken by the owners by written action or ballot in lieu of a meeting; (b) minutes of all meetings of the board of directors/ executive board and all actions taken by the board by written action or ballot in lieu of a meeting; (c) records of all actions of committees of the board in place of the board on behalf of the association; (d) all waivers of notices of meetings of owners and of the board or any committee of the board; (e) a record of unit owners in a form that permits preparation of a list of the names and addresses of all owners, showing the number of votes each unit owner is entitled to vote; (f) the articles of incorporation, bylaws, declaration and/or covenants of the association; (g) resolutions adopted by the board; (h) all written communications within the past three (3) years to unit owners as unit owners; (i) a list of the names and addresses of the current directors and officers of the association; (j) the association's most recent annual report, if any; and (k) all financial audits or reviews during the preceding three (3) years. The records described in this paragraph must be kept in written form or in another form capable of conversion into written form within a reasonable time, and must be reasonably available for examination and copying by an owner or such owner's authorized agent. To be reasonably available, the records must be available during normal business hours upon five (5) business days' notice, to the extent that: (x) the request is made in good faith and for a proper purpose; (y) the request describes with reasonable particularity the records sought and the purpose of the request; and (z) the records are relevant to the purpose of the request.

**Action Items:**            Adopt policy for inspection and copying of records  
                                 Review records and retention policy with manager to confirm compliance

#### 4.    AUDIT OR REVIEW

The books and records of the association must be audited (using generally accepted auditing standards) or reviewed (using statements on standards for accounting and review services) at the discretion of the board of directors/ executive board or as described below. An audit is required only if (i) the association has annual revenues or expenditures of at least \$250,000.00, AND (ii) an audit is requested by owners of at least one-third of all units within the association. A review is required only upon request by owners of at least one-third of all units within the association. A person conducting a review need not be a CPA, but shall have at least a basic understanding of the principles

of accounting as a result of prior business experience, education above the high school level, or bona fide home study. Copies of any audit or review must be made available upon request to owners no later than thirty (30) days after its completion.

5. CONFLICTS OF INTEREST; STANDARD OF CARE

CCIOA now makes clear that the provisions of the Colorado Revised Nonprofit Corporation Act apply to directors' conflicting interest transactions. A "conflicting interest transaction" is defined as "[a] contract, transaction or other financial relationship between a[n] [association] and a director of the [association], or between the [association] and a party related to a director, or between the [association] and an entity in which a director of the [association] is a director or officer or has a financial interest". In the event of a conflicting interest transaction, the director should clearly disclose the material facts of the conflicting interest transaction at the first board meeting at which the matter is to be discussed. Thereafter, however, the director may participate in discussion of the matter and may vote on the matter. In addition, even if the provisions of the conflicting interest transaction statute are not followed, the transaction is not void or voidable by the association if: (i) the conflicting interest transaction is disclosed to or known by the board, and the transaction is approved or ratified by the affirmative vote of a majority of the disinterested directors; or (ii) the conflicting interest transaction is disclosed to or known by the members of the association entitled to vote thereon, and the transaction is approved or ratified by the affirmative vote of such members; or (iii) the conflicting interest transaction is fair as to the association.

In all events, the directors should exercise due care in their actions taken as a director, but CCIOA makes clear that if a director is not appointed by the declarant, but rather elected by the owners (as all Timber Springs Executive Board members are, they are not liable for actions taken or omissions made in the performance of such director's duties except for wanton and willful acts or omissions. Notwithstanding the foregoing, with regard to investment of reserve funds of the association, officers and directors are to discharge such duties (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) in a manner the director or officer reasonably believes to be in the best interest of the association.

The Board must adopt a written policy relating to Board members' conflicts of interest. A form is attached for the Board's consideration.

**Action Item:** Adopt conflict of interest policy.

6. RESPONSIBLE GOVERNANCE POLICIES

The association is required to adopt certain written policies, procedures and rules and regulations relating to certain matters. Several of these have been discussed in previous sections, but are repeated here for completeness. A copy of a proposed policy, for consideration by the Board, is attached to this memorandum:

- Conduct of Meetings
- Inspection and copying of association records
- Handling of conflicts of interest relating to Board members
- Enforcement of covenants and rules, including notice and hearing procedures and a schedule of fines
- Investment of reserve funds
- Procedures for the adoption and amendment of policies, procedures and rules
- Procedures for addressing disputes between the association and unit owners

**Action Item:** Review drafts of the various policies, provide input to revise same for this association, and adopt all.

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION  
EXECUTIVE BOARD  
RESOLUTION

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

\_\_\_\_\_, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

**RESOLVED**, that the following Policy of the Association related to Adoption and Amendment of Policies, Procedures and Rules is hereby adopted and ratified:

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

2. **Drafting Procedure.** The Board shall consider the following in drafting the Policy: (a) whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy; (b) the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and (c) the immediate and long-term impact and implications of the Policy.

3. **Notice and Comment.** A copy of the proposed Policy shall be provided to all Owners or posted on the Association's website and Owners shall be allowed a minimum of thirty (30) days to provide comment and/or feedback on the proposed Policy. The adoption of every Policy shall also be listed on the agenda for the Board meeting prior to adoption by the Board and any Owner who wishes to comment on the proposed Policy shall be afforded such opportunity in compliance with Colorado law.

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

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

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

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

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

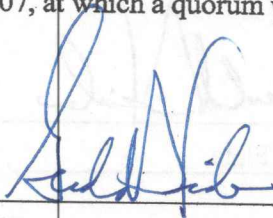
**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on \_\_\_\_\_, 2007, at which a quorum was present.

Dated: August 6, 2007.



\_\_\_\_\_  
Gerald Fiala, Secretary

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# RECORD OF PROCEEDINGS

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**Minutes of Action Taken  
By Consent of the Directors  
Without a Meeting  
Timber Springs Property Owner's Association  
August 6, 2007**

As permitted by law, the undersigned Directors, being all of the Directors of the Timber Springs Property Owner's Association, unanimously agree to waive the notice requirement for a meeting and to adopt the following action(s) without a meeting.

The Policies and Procedures enumerated below and a copy of which are attached hereto and incorporated herein are hereby unanimously adopted:

1. Conduct of Meetings
2. Inspection and Copying of Association Records
3. Conflicts of Interest
4. Collection of Unpaid Assessments
5. Enforcement of Covenants and Rules
6. Investment of Reserve Funds
7. Adoption and Amendment of Policies, Procedures and Rules
8. Disputes between the Association and its members

These minutes may be executed in counterparts.

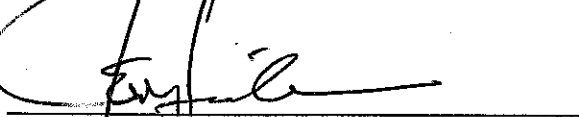
Dated this 6<sup>th</sup> day of August, 2007.



Michael Barry



Patrick Martin



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**MEMORANDUM**

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**TO:** Executive Board  
Timber Springs Property Owners Association, Inc.

**FROM:** Timothy N. Devlin  
Wear Travers & Perkins, P.C.

**DATE:** July 27, 2007

**RE:** Senate Bill 100/89 Compliance

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Colorado law relating to property owners' associations was significantly amended during the 2005 and 2006 sessions of the Colorado legislature, by acts commonly known as "Senate Bill 100" and "Senate Bill 89". This memorandum summarizes the significant changes and sets forth action items for the Board's consideration to ensure compliance with the new laws.

1. DESIGN REVIEW MATTERS

Under certain circumstances, the Association may regulate, but may not prohibit, (i) display of the American flags or military service flags, or the installation of flagpoles; or (ii) display of political signs; and (iii) the removal of trees, shrubs or other vegetation for fire mitigation purposes. In addition, the Association can not require the use of cedar shakes or other flammable roofing materials.

**Action Item:** Staff to review Design Guidelines to determine if revisions are necessary to comply. The Board should then consider whether it desires to adopt regulations regarding display of signs and flags, or vegetation removal.

2. MEETINGS; OWNER AND BOARD EDUCATION

Notice of owners' meetings must now be posted in a conspicuous place, and associations are encouraged to post notices and agendas on a website.

The association is required to adopt written policies regarding the conduct of meetings. A form of such policy is attached to this memorandum for the Board's review and approval.

Contested board elections must now be conducted by secret ballot, and, at the request of 20% of unit owners in attendance at the meeting in person or by proxy, any other vote must be taken by a secret ballot.

In addition, associations are required to offer to their owners, at least annually and free of charge, education as to the general operation of the association and the rights and responsibilities of owners, the association and the board under Colorado law. We recommend that this education be offered in connection with the annual meeting of owners, for a short time either before or after the meeting.

The Association may, but is not required to, reimburse Board members for expenses incurred in attending seminars on responsible governance of owners' associations.

**Action Items:** Board review and adopt Meeting Policy (attached).  
Schedule owner education in connection with annual meetings.

### 3. DISCLOSURES; ASSOCIATION RECORDS

If the association's address, designated agent, or management company changes, within 90 days after such change the association shall make updated information readily available at no cost to owners at their convenience, either by posting on an internet web page, maintenance of a literature table or binder at the association's principal place of business, or by mail or personal delivery: (i) the name of the association and its physical address and phone number; (ii) the name of the association's manager and its physical address and phone number; and (iii) the date and reception number for recording of the association's declaration.

In addition, within 90 days after the end of each fiscal year, the association must make the following information readily available at no cost to owners at their convenience, either by posting on an internet web page, maintenance of a literature table or binder at the association's principal place of business, or by mail or personal delivery: (i) the commencement date of the association's fiscal year; (ii) the association's operating budget for the current fiscal year; (iii) a list of current regular and special assessments by unit type; (iv) annual financial statements for the immediately preceding fiscal year; (v) the results of the most recent available financial audit or review; (vi) a list of all association insurance policies, including company names, policy limits and deductibles, additional named insureds and expiration dates of the policies; (vii) the association's

articles of incorporation, bylaws, and rules and regulations; (viii) the minutes of board of directors/ executive board and member meetings for the immediately preceding fiscal year; and (ix) the policies of the association adopted pursuant to CRS § 38-33.3-209.5 (see "POLICIES" section below).

Further, the association must keep the following permanent records: (a) minutes of all meetings of unit owners and all actions taken by the owners by written action or ballot in lieu of a meeting; (b) minutes of all meetings of the board of directors/ executive board and all actions taken by the board by written action or ballot in lieu of a meeting; (c) records of all actions of committees of the board in place of the board on behalf of the association; (d) all waivers of notices of meetings of owners and of the board or any committee of the board; (e) a record of unit owners in a form that permits preparation of a list of the names and addresses of all owners, showing the number of votes each unit owner is entitled to vote; (f) the articles of incorporation, bylaws, declaration and/or covenants of the association; (g) resolutions adopted by the board; (h) all written communications within the past three (3) years to unit owners as unit owners; (i) a list of the names and addresses of the current directors and officers of the association; (j) the association's most recent annual report, if any; and (k) all financial audits or reviews during the preceding three (3) years. The records described in this paragraph must be kept in written form or in another form capable of conversion into written form within a reasonable time, and must be reasonably available for examination and copying by an owner or such owner's authorized agent. To be reasonably available, the records must be available during normal business hours upon five (5) business days' notice, to the extent that: (x) the request is made in good faith and for a proper purpose; (y) the request describes with reasonable particularity the records sought and the purpose of the request; and (z) the records are relevant to the purpose of the request.

**Action Items:**            Adopt policy for inspection and copying of records  
                                 Review records and retention policy with manager to confirm compliance

#### 4.    AUDIT OR REVIEW

The books and records of the association must be audited (using generally accepted auditing standards) or reviewed (using statements on standards for accounting and review services) at the discretion of the board of directors/ executive board or as described below. An audit is required only if (i) the association has annual revenues or expenditures of at least \$250,000.00, AND (ii) an audit is requested by owners of at least one-third of all units within the association. A review is required only upon request by owners of at least one-third of all units within the association. A person conducting a review need not be a CPA, but shall have at least a basic understanding of the principles

of accounting as a result of prior business experience, education above the high school level, or bona fide home study. Copies of any audit or review must be made available upon request to owners no later than thirty (30) days after its completion.

5. CONFLICTS OF INTEREST; STANDARD OF CARE

CCIOA now makes clear that the provisions of the Colorado Revised Nonprofit Corporation Act apply to directors' conflicting interest transactions. A "conflicting interest transaction" is defined as "[a] contract, transaction or other financial relationship between a[n] [association] and a director of the [association], or between the [association] and a party related to a director, or between the [association] and an entity in which a director of the [association] is a director or officer or has a financial interest". In the event of a conflicting interest transaction, the director should clearly disclose the material facts of the conflicting interest transaction at the first board meeting at which the matter is to be discussed. Thereafter, however, the director may participate in discussion of the matter and may vote on the matter. In addition, even if the provisions of the conflicting interest transaction statute are not followed, the transaction is not void or voidable by the association if: (i) the conflicting interest transaction is disclosed to or known by the board, and the transaction is approved or ratified by the affirmative vote of a majority of the disinterested directors; or (ii) the conflicting interest transaction is disclosed to or known by the members of the association entitled to vote thereon, and the transaction is approved or ratified by the affirmative vote of such members; or (iii) the conflicting interest transaction is fair as to the association.

In all events, the directors should exercise due care in their actions taken as a director, but CCIOA makes clear that if a director is not appointed by the declarant, but rather elected by the owners (as all Timber Springs Executive Board members are, they are not liable for actions taken or omissions made in the performance of such director's duties except for wanton and willful acts or omissions. Notwithstanding the foregoing, with regard to investment of reserve funds of the association, officers and directors are to discharge such duties (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) in a manner the director or officer reasonably believes to be in the best interest of the association.

The Board must adopt a written policy relating to Board members' conflicts of interest. A form is attached for the Board's consideration.

**Action Item:** Adopt conflict of interest policy.

6. RESPONSIBLE GOVERNANCE POLICIES

The association is required to adopt certain written policies, procedures and rules and regulations relating to certain matters. Several of these have been discussed in previous sections, but are repeated here for completeness. A copy of a proposed policy, for consideration by the Board, is attached to this memorandum:

- Conduct of Meetings
- Inspection and copying of association records
- Handling of conflicts of interest relating to Board members
- Enforcement of covenants and rules, including notice and hearing procedures and a schedule of fines
- Investment of reserve funds
- Procedures for the adoption and amendment of policies, procedures and rules
- Procedures for addressing disputes between the association and unit owners

**Action Item:** Review drafts of the various policies, provide input to revise same for this association, and adopt all.

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION

EXECUTIVE BOARD

RESOLUTION

**DIRECTOR CONFLICTS OF INTEREST**

\_\_\_\_\_, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

**RESOLVED**, that the following Policy of the Association related to Director Conflicts of Interest is hereby adopted and ratified:

1. **General Duty.** The Executive Board shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations. As of the date of adoption of this Policy, conflicting interest transactions of directors and officers of the Association are governed by C.R.S. §7-128-501, pursuant to C.R.S. §38-33.3-310.5, and the provisions of this Policy are intended to comply with such statutes.

2. **Definition.** A "conflicting interest transaction" is defined as a contract, transaction or other financial relationship between the Association and a director of the Association, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest.

3. **Disclosure of Conflicting Interest Transaction.** Any conflicting interest transaction on the part of any Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Executive Board at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the interested Director may participate in the discussion of the matter, and may vote on the matter, in compliance with the Director's duties to the Association. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against.

4. **Failure to Disclose Conflicting Interest Transaction.** No conflicting interest transaction entered into in violation of this policy shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the Association, solely because the conflicting interest transaction involves a Director or a party related to a Director or an entity in which a Director is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association's Executive Board that authorizes, approves or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if:

a. The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Executive Board and the Executive Board in good faith authorized, approves, or ratifies the conflicting interest transaction

by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

b. The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members of the Association entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

c. The conflicting interest transaction is fair as to the Association.

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

6. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs.

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

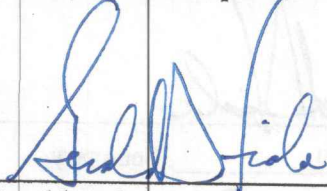
#### CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on \_\_\_\_\_, 2007, at which a quorum was present.

Dated: August 6, 2007.

  
\_\_\_\_\_  
Gerald Fiala, Secretary

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# RECORD OF PROCEEDINGS

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**Minutes of Action Taken  
By Consent of the Directors  
Without a Meeting  
Timber Springs Property Owner's Association  
August 6, 2007**

As permitted by law, the undersigned Directors, being all of the Directors of the Timber Springs Property Owner's Association, unanimously agree to waive the notice requirement for a meeting and to adopt the following action(s) without a meeting.

The Policies and Procedures enumerated below and a copy of which are attached hereto and incorporated herein are hereby unanimously adopted:

1. Conduct of Meetings
2. Inspection and Copying of Association Records
3. Conflicts of Interest
4. Collection of Unpaid Assessments
5. Enforcement of Covenants and Rules
6. Investment of Reserve Funds
7. Adoption and Amendment of Policies, Procedures and Rules
8. Disputes between the Association and its members

These minutes may be executed in counterparts.

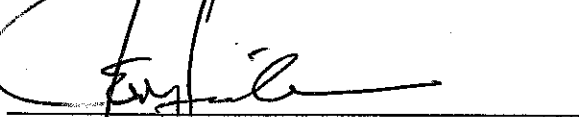
Dated this 6<sup>th</sup> day of August, 2007.



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**MEMORANDUM**

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**TO:** Executive Board  
Timber Springs Property Owners Association, Inc.

**FROM:** Timothy N. Devlin  
Wear Travers & Perkins, P.C.

**DATE:** July 27, 2007

**RE:** Senate Bill 100/89 Compliance

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**Action Items:** Board review and adopt Meeting Policy (attached).  
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articles of incorporation, bylaws, and rules and regulations; (viii) the minutes of board of directors/ executive board and member meetings for the immediately preceding fiscal year; and (ix) the policies of the association adopted pursuant to CRS § 38-33.3-209.5 (see "POLICIES" section below).

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**Action Items:**            Adopt policy for inspection and copying of records  
                                 Review records and retention policy with manager to confirm compliance

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of accounting as a result of prior business experience, education above the high school level, or bona fide home study. Copies of any audit or review must be made available upon request to owners no later than thirty (30) days after its completion.

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In all events, the directors should exercise due care in their actions taken as a director, but CCIOA makes clear that if a director is not appointed by the declarant, but rather elected by the owners (as all Timber Springs Executive Board members are, they are not liable for actions taken or omissions made in the performance of such director's duties except for wanton and willful acts or omissions. Notwithstanding the foregoing, with regard to investment of reserve funds of the association, officers and directors are to discharge such duties (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) in a manner the director or officer reasonably believes to be in the best interest of the association.

The Board must adopt a written policy relating to Board members' conflicts of interest. A form is attached for the Board's consideration.

**Action Item:** Adopt conflict of interest policy.

6. RESPONSIBLE GOVERNANCE POLICIES

The association is required to adopt certain written policies, procedures and rules and regulations relating to certain matters. Several of these have been discussed in previous sections, but are repeated here for completeness. A copy of a proposed policy, for consideration by the Board, is attached to this memorandum:

- Conduct of Meetings
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- Enforcement of covenants and rules, including notice and hearing procedures and a schedule of fines
- Investment of reserve funds
- Procedures for the adoption and amendment of policies, procedures and rules
- Procedures for addressing disputes between the association and unit owners

**Action Item:** Review drafts of the various policies, provide input to revise same for this association, and adopt all.

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION  
EXECUTIVE BOARD  
RESOLUTION  
**DISPUTE RESOLUTION**

\_\_\_\_\_, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

**RESOLVED**, that the following Policy of the Association related to Dispute Resolution is hereby adopted and ratified:

1. Intent to Avoid Litigation. The Association, its officers, directors and committee members, all persons subject to the Declaration including Owners, and any person not otherwise subject to the Declaration who agrees to submit to this Policy (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving Timber Springs Property Owners Association, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described herein ("Claims") shall be resolved using the procedures set forth below in lieu of filing suit in any court.

2. Claims. Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Association Documents, or the rights, obligations and duties of any Bound Party under the Association Documents shall be subject to the provisions of this Section. Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of this Section:

a. Any suit by the Association against any Bound Party to enforce the provisions of the Declaration relating to Assessments and the collection of Assessments.

b. Any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the architectural standards and use restrictions and rules;

c. Any suit between Owners, which does not include the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Association Documents;

d. Any suit in which any indispensable party is not a Bound Party; and

e. Any suit as to which any applicable statute of limitations would expire within 180 days of giving the notice required below.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth below.

3. Mandatory Procedures.

a. Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

i. The nature of the Claim, including the Persons involved and Respondent's role in the Claim;

ii. The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

iii. Claimant's proposed remedy; and

iv. That Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

b. Negotiation and Mediation.

i. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Executive Board may appoint a representative to assist the Parties in resolving the dispute by negotiation.

ii. If the Parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of a reputable and knowledgeable mediation group providing such services in Eagle County, or, if the Parties otherwise agree, to an independent agency providing dispute resolution services in the Eagle County, Colorado, area.

iii. If Claimant does not submit a claim to mediation within thirty (30) days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant.

iv. Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that the mediation was to be mediated.

v. Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement

Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

c. Final and Binding Arbitration.

i. If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration in accordance with the rules of arbitration as may be required by the agency providing the arbitrator. The arbitrator shall be a single arbitrator to be appointed by the Parties. If the Parties are unable to agree upon an arbitrator within thirty (30) days of the Claim being submitted to arbitration, the presiding judge of Eagle County, Colorado shall appoint a qualified arbitrator upon application of a Party. No person shall serve as the arbitrator where that person has any financial or personal interest in the result of the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator within fourteen (14) days after receipt of that Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner in which that arbitrator was selected. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to persons other than Claimant.

ii. This subsection is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

d. Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in this Section. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award including, without limitation, attorneys' fees and court costs.

3. Claim for Damages. Damages alleged or awarded in connection with a Claim shall be limited to actual damages. No punitive, incidental, consequential or other damages shall be claimed or awarded.

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

5. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs Property Owners Association.

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

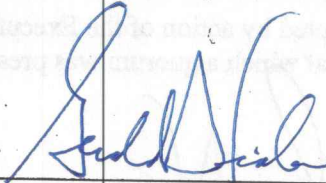
**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on \_\_\_\_\_, 2007, at which a quorum was present.

Dated: August 6, 2007.



\_\_\_\_\_  
Gerald Fiala, Secretary

**POLICY OF TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.  
REGARDING PROCEDURES FOR COLLECTION OF UNPAID ASSESSMENTS**

**SUBJECT:** Adoption of a policy and procedure regarding the collection of unpaid assessments.

**PURPOSE:** To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** October 1, 2025

**RESOLUTION:** The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. Installments of the annual assessment and any other balances due as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1st day of each month. Assessments or other charges not paid in full to the Association within thirty days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 30 days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the Unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.
2. Receipt Date. The Association or its managing agent shall post payments on the day that the payment is received in the Association's office.
3. Late Charges and Interest on Delinquent Installments. The Association or its managing agent shall impose on a monthly basis a \$25.00 late charge for each Owner who fails to timely pay any assessment within 30 days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association or its managing agent shall impose interest from the date due at the rate of 8% per annum on the amount owed for each Owner who fails to timely pay their monthly installment of any assessment within 30 days of the due date.
4. Personal Obligation for Late Charges and Interest. The late charge and interest shall be the personal obligation of the Owner(s) of the Unit for which such assessment or installment is unpaid. All late charges and interest shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Policy, a return check fee, not to exceed \$20.00, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Policy after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of any assessment is not timely made within 15 days of the due date.
  
6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner. However, the cost charged to the Owner for any notice or other documentation sent to an Owner via certified mail is limited to the actual cost of the certified mail.
  
7. Repayment Plan. Any Owner who becomes delinquent in payment of assessments may enter into a repayment plan with the Association, which plan shall be for a minimum term of 18 months or such other longer term as may be approved by the Board of Directors.

Such repayment plan shall be offered to each Owner prior to the Association referring any account to an attorney or collection agency for collection action. Under the repayment plan, the Owner may choose the amount to be paid each month, so long as each payment is at least twenty-five dollars (\$25.00) until the balance of the amount owed is less than twenty-five dollars (\$25.00).

The Owner shall be deemed to be in default of the repayment plan and the repayment plan with the Association shall be null and void if within thirty (30) days after the Association or its managing agent has provided the Owner with a written offer to enter into a repayment plan, the Owner either declined the repayment plan; or after accepting the repayment plan, failed to pay at least

three (3) of the monthly installments within fifteen (15) days after the monthly installments were due.

If the Owner does not confirm written acceptance of the repayment plan within thirty (30) days after the Association or its managing agent has provided the Owner with a written offer to enter into a repayment plan, the offer shall be deemed to be declined.

In the event the Owner defaults or otherwise does not comply with the terms and conditions of the repayment plan, including the payment of ongoing assessments of the Association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

An Owner who has entered into a repayment plan may elect to pay the remaining balance owed under the repayment plan at any time during the duration of the repayment plan.

8. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner, within any limitations pursuant to Colorado law. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
9. Application of Payments. Once an account is referred to the Association's attorney, all sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. The Association may prohibit the Owner from accessing any online payment portal until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any assessments owed, then to any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Policy.
10. Collection Process.
  - (a) After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the Management Company shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. This First Notice shall be sent by regular first class mail.

- (b) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Management Company shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment. The Association's notice, at a minimum shall include the following:
- (i) The total amount due to the Association along with an accounting of how the total amount was determined.
  - (ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
  - (iii) A name and contact information for an individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt, which copy of the ledger must be provided to the Owner no later than seven business days after receipt of the Owner's request.
  - (iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, the sale of the Owner's unit at auction to pay delinquent assessments, which could result in the Owner losing some or all of the Owner's equity in the unit or other remedies available under Colorado Law including revoking the Owner's right to vote if permitted in the Bylaws or Declaration.
  - (v) The availability of, and instructions on how to access, free online information through the HOA Information and Resource Center relating to the collection of assessments by an association, including the Association's ability to foreclose an association lien for unpaid assessments and force the sale of the Owner's home, and the availability of online information from the Federal Department of Housing and Urban Development concerning credit counseling before foreclosure that may be accessed through a link on the Department of Local Affairs' website.
  - (vi) Specify whether the delinquency concerns unpaid assessments; unpaid fines, fees or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Owner that unpaid assessments may lead to foreclosure.

- (vii) Include a description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's covenant violation cure process as laid out in the Association's Covenant and Rule Enforcement Policy.
  - (viii) Include a description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to Small Claims Court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the Declaration, Bylaws, Covenants, or other governing documents of the Association.
- (c) This Second Notice will be provided to the Owner or the Owner's designated contact in the following manners:
- (i) Certified mail, return receipt requested; and
  - (ii) By two of the following manners:
    - i. Telephone call to a telephone number that the Association has on file because the Owner or the Owner's designated contact has provided the number to the Association. If the Association attempts to contact the Owner or designated contact by telephone but is unable to contact the Owner or the Owner's designated contact, the Association shall, if possible, leave a voice message for the Owner or the Owner's designated contact; or
    - ii. Text message to a cellular number that the Association has on file because the Owner or the Owner's designated contact has provided the cellular number to the Association; or
    - iii. Email to an email address that the Association has on file because the Owner or the Owner's designated contact has provided the email address to the Association.
    - iv. However, if the Owner or the Owner's designated contact has not provided a telephone number, cellular number, or email address to the Association, then this requirement of Section 10(c)(ii) shall be satisfied by sending this Second Notice via regular mail.
- (d) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Management

Company shall turn the account over to the Association's attorney for collection.

Any collection account referred to an attorney for collections shall first be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken, pursuant to the Association's Conduct of Meetings Policy.

Upon receiving the delinquent account, legal counsel may file a lien and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, legal counsel may file a lawsuit or further collection action. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney fees together with the cost of the action and any applicable interest and late fees.

In addition to the steps outlined above, even after the Owner has been sent to the attorney for collections, on a monthly basis, the Association shall send any Owner with an outstanding balance due an itemized list of all assessments, fines, fees, and charges that the Owner owes the Association. A ledger going back to the last zero balance can satisfy this requirement.

This monthly notice shall be sent by first-class mail. The monthly notice shall also be sent by email if the Association has an email address for the Owner.

This monthly notice shall be sent in English unless the Owner has indicated a preference for notices to be sent in another language.

If the Owner has identified a designated contact, this notice shall be sent to both the Owner and a copy sent to the designated contact.

This notice may not contain additional legal fees and legal costs that have been incurred by the Association but have not yet been posted to the ledger. As such, the Owner is required to communicate with the collection attorney to obtain the most up to date balance.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.
12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date (date payment due)	1st day of the month due
Past Due Date (date payment is late if not received on or before that date)	Thirty days after due date
First Notice (notice that late charges and interest have accrued)	Any time after 30 days after due date
Second Notice (notice that late charges and interest have accrued, notice of intent to file lien, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after 60 days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after 90 days after due date

The attorney may consult with the Association or its managing agent as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association or its managing agent shall furnish to an Owner or such Owner's designee upon the Owner's or designee's written request to the Association, made via first class postage prepaid, return receipt requested mail, a written statement from the Association, setting forth the amount of unpaid assessments currently levied against such Owner's property at no charge and delivered personally or by certified mail, first class-postage prepaid, return receipt requested. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

A status letter provided to a title company or mortgage company in anticipation of a sale of the property or a refinance of the mortgage provides additional information beyond a statement of the total amount due and as such any charges incurred by the Association for providing a status letter shall be charged back to the Owner.

14. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, Management Company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
  
15. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with Management Company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:
  - (a) Filing of a suit against the delinquent Owner for a money judgment;
  - (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
  - (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
  - (d) Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

16. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.
  
17. Judicial Foreclosure. The Association may choose to foreclose on its lien in addition to attempting to sue an Owner for a money judgment, subject to the provisions of Colorado law. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

The Association may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association.

The Association may not foreclose on an Owner's Unit if the debt securing the lien consists only of one or both of the following:

- (a) Fines that the Association has assessed against the Owner as a result of covenant violations; or
- (b) Collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines as a result of covenant violations.

If a Unit has been foreclosed on by the Association, the Unit shall not be purchased by any of the following categories of persons or companies, who are currently or have been at any time during the 5 years prior to the foreclosure sale:

- (i) a member of the Board of Directors;
- (ii) an employee of the Association's management company representing the Association;
- (iii) an employee of the law firm representing the Association;
- (iv) an immediate family member of any of the foregoing individuals; or
- (v) the Association's management company.

- 18. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
- 19. Communication with Owners. As to any communication sent by the Association or the Management company on behalf of the Association pursuant to Paragraph 10 of this Policy, the Association or management company on its behalf, shall maintain a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

An Owner may identify another person to serve as a designated contact for the Owner to be contacted on the Owner's behalf. If the Owner identifies a designated contact, the Association or its managing agent shall send any collection correspondence and notices to both the Owner and their designated contact. However, once an Owner is sent to the attorney for collections, all communication will be directly with the Owner until or unless the Owner provides permission directly to the Association's attorney giving permission for the attorney to discuss with the designated contact.

An Owner may notify the Association if the Owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association or its managing agent shall send the correspondence and notices in English. If the Owner has notified the Association of a preference other than English, any notices or letters sent pursuant to this Policy shall be sent both in English and in the preferred language.

If an Owner has identified both a designated contact and a preference for a different language, the Association or its managing agent shall send the Owner the correspondence or notice in the preferred language and in English and the designated contact the correspondence or notice in English.

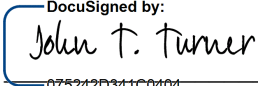
All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. No member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

20. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
21. Defenses. Failure of the Association or its managing agent to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.
22. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
23. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.
24. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
25. Amendment. This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on October 15, 2025 and in witness thereof, the undersigned has subscribed their name.

**Timber Springs Property Owners Association,  
Inc.,** a Colorado nonprofit corporation

By:   
Its: President

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**POLICY OF TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.  
ADOPTING PROCEDURES FOR THE CONDUCT OF MEETINGS**

**SUBJECT:** Adoption of a policy and procedures for conducting Owner and Board meetings.

**PURPOSE:** To facilitate the efficient operation of Owner and Board meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the community.

**AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** October 1, 2025

**RESOLUTION:** The Association hereby adopts the following procedures regarding the conduct of meetings:

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

**(a) Notice.**

(1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted in the community at least three (3) days prior to each such meeting, or as may otherwise be required by Colorado law.

(2) The Association shall also post notice on its website of all Owner meetings. Such notice shall be posted three (3) days prior to such meeting.

(3) If any Owner has requested the Association provide notice via email and has provided the Association with an email address, the Association shall send notice for all Owner meetings to such Owner at the email address provided at least 24 hours prior to any such meeting.

**(b) Conduct.**

- (1) All Owner meetings shall be governed by the following rules of conduct and order:
  - (A) The president of the Association or designee shall chair all Owner meetings;
  - (B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies, and receive ballots as appropriate (See section below regarding voting);
  - (C) Any person desiring to speak shall sign up on the list provided at check in and indicate if they are for or against an agenda item;
  - (D) Anyone wishing to speak must first be recognized by the chair;
  - (E) Only one person may speak at a time;
  - (F) Each person who speaks shall first state their name and address;
  - (G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for them;
  - (H) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed;
  - (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting;
  - (J) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be

permitted. Such time limit may be increased or decreased by the chair, but shall be uniform for all persons addressing the meeting;

- (K) All actions and/or decisions will require a first and second motion;
- (L) Once a vote has been taken, there will be no further discussion regarding that topic;
- (M) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video, or otherwise recorded. Minutes of actions taken shall be kept by the Association;
- (N) Anyone disrupting the meeting, as determined by the chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting; and
- (O) The chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

- (1) Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the secretary of the Association or the secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.
- (2) Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice, or by ballot. Notwithstanding the above, uncontested elections of Board members or other votes on matters affecting the community shall

be by secret ballot at the discretion of the Board or upon the request of 20% of the Owners who are present at the meeting or represented by proxy.

- (3) Written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the chair or another person presiding during that portion of the meeting.
- (4) The individual(s) counting the ballots shall report the results of the vote to the chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

**(d) Proxies.** Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

- (1) All proxies shall be reviewed by the Association's secretary or designee as to the following:
  - (A) Validity of the signature;
  - (B) Signatory's authority to sign for the unit Owner;
  - (C) Authority of the unit Owner to vote;
  - (D) Conflicting proxies; and
  - (E) Expiration of the proxy.

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

**(a) Conduct.**

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

- (A) The president of the Association, or designee, shall chair all Board meetings;
- (B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address;
- (C) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate at the time of sign in;
- (D) Anyone desiring to speak shall first be recognized by the chair;
- (E) Only one person may speak at a time;
- (F) Each person speaking shall first state their name and address;
- (G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them;
- (H) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed;
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks, or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand;
- (J) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the chair but shall be uniform for all persons addressing the meeting;

- (K) No meeting of the Board may be audio, video, or otherwise recorded except by the Board to aid in the preparation of minutes; and
- (L) Anyone disrupting the meeting, as determined by the chair, shall be asked to “come to order.” Anyone who does not come to order shall be requested to immediately leave the meeting.

**(b) Owner Input.**

After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the directors, Owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion as follows:

- (1) The chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.
- (2) Following Owner input, the chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

**(c) Board Action Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

**(d) Executive Sessions.**

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

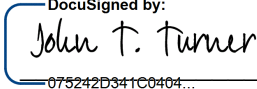
- (A) Matters pertaining to employees of the Association or the manager's contract or involving the employment, discipline, or dismissal of an officer, agent, or employee of the Association;
  - (B) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
  - (C) Investigative proceedings concerning possible or actual criminal misconduct;
  - (D) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including a disciplinary hearing regarding a Unit Owner and any referral of delinquency;
  - (E) Review of or discussion relating to any written or oral communication from legal counsel;
  - (F) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure.
- (2) Prior to holding a closed-door session, the president of the Board, or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above;
  - (3) No rule or regulation or amendment to the Bylaws or the Articles of Incorporation shall be adopted during a closed session. The foregoing documents may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following a closed session; and
  - (4) 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. Minutes of executive sessions may be kept but are not subject to disclosure pursuant to the Association's policy regarding inspection of records.

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

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on October 15, 2025 and in witness thereof, the undersigned has subscribed their name.

**Timber Springs Property Owners  
Association, Inc.,** a Colorado nonprofit  
corporation

By:   
Its: President

**POLICY OF TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.  
REGARDING POLICIES AND PROCEDURES FOR COVENANT  
AND RULE ENFORCEMENT**

**SUBJECT:** Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.

**PURPOSE:** To adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association, and Colorado law.

**EFFECTIVE DATE:** October 1, 2025

**RESOLUTION:** The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.
2. Complaints. Complaints by Owners or residents, member of the Board of Directors, a committee member, or the manager shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.
  
4. Violation Which Threatens Public Safety or Health. With respect to any violation of the Declaration, Bylaws, Covenants, or other Governing Documents of an Association that the Board of Directors reasonably determines threatens the public safety or health, the Association shall provide the Unit Owner an initial letter (see Paragraph 7 below) of the violation informing the Unit Owner that the Unit Owner has seventy-two (72) hours to cure the violation or the Association may fine the Unit Owner.
  - a. If, after an inspection of the Unit, the Association determines that the Unit Owner has not cured the violation within seventy-two (72) hours after receiving the notice, the Association may impose fines on the Unit Owner every other day, not to exceed five hundred dollars (\$500.00), and may take legal action against the Unit Owner for the violation.
  
  - b. Violation Cured by Unit Owner. Once the Association determines that a Unit Owner has cured a violation, the Association shall notify the Unit Owner, in English and in any other language that the Unit Owner has indicated a preference for correspondence and notices pursuant to C.R.S. 38-33.3-209.5 (1.7)(a)(I).
    - i. That the Unit Owner will not be further fined with regard to the violation; and
  
    - ii. Of any outstanding fine balance that the Unit Owner still owes the Association.
  
5. Violation Which Does Not Threaten Public Safety or Health. If an Association reasonably determines that there is a violation of the Declaration, Bylaws, Covenants, or other Governing Documents of the Association, other than a violation that threatens the public safety or health, the Association shall, provide a warning letter (see Paragraph 6) regarding the violation to the Owner and providing

up to ten (10) days to cure the violation. Upon expiration of the initial cure period, if the violation continues to exist, the Association shall provide an initial letter (see Paragraph 7 below) regarding the violation and informing the Unit Owner that the Unit Owner has thirty (30) days to cure the violation. Upon expiration of the initial thirty (30) days, the Association, after conducting an inspection and determining that the Unit Owner has not cured the violation, may fine the Unit Owner.

- a. Process to Cure Violation. If a Unit Owner cures the violation within the cure period afforded the Unit Owner, the Unit Owner may notify the Association of the cure and, the Unit Owner sends notice to the Association with visual evidence that the violation has been cured, the violation is deemed cured on the date that the Unit Owner sends the notice. If the Unit Owner's notice does not include visual evidence that the violation has been cured, the Association shall inspect the unit as soon as practicable to determine if the violation has been cured.
- b. Violation Cured by Unit Owner. Once the Association determines that a Unit Owner has cured a violation, the Association shall notify the Unit Owner, in English and in any other language that the Unit Owner has indicated a preference for:
  - i. That the Unit Owner will not be further fined with regard to the violation; and
  - ii. Of any outstanding fine balance that the Unit Owner still owes the Association.
- c. Failure to Cure Violation by Unit Owner. If the Association does not receive notice from the Unit Owner that the violation has been cured, the Association shall inspect the unit within seven (7) days after the expiration of the initial thirty (30) day cure period to determine if the violation has been cured. If, after the inspection, the Association determines that the violation has not been cured, the Association may impose a fine, not to exceed five hundred dollars (\$500.00) per violation, pursuant to Paragraph 9

below. A second letter pursuant to Paragraph 8 shall provide an additional thirty (30) day period to cure.

- d. The Association may take legal action pursuant to this section if the two (2) thirty (30) day periods described above have elapsed and the violation remains uncured.
6. Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Unit Owner. The letter must explain the nature of the violation, and the action or actions required to cure the alleged violation. The written notice shall be in English and in any language that the Unit Owner has indicated a preference for correspondence.
7. Initial Letter. If the violation has not been cured following the warning letter, an initial letter shall be sent to the Unit Owner. The letter must be sent via certified mail, return receipt requested if not a public safety or health threat. The letter must explain the nature of the violation, and the action or actions required to cure the alleged violation. The written notice shall be in English and in any language that the Unit Owner has indicated a preference for correspondence. The letter shall provide a Fine Notice as set forth in Paragraph 9.
8. Second Letter. If the alleged violation is not resolved within thirty (30) days of the initial letter, this will be considered a second violation for which a fine or legal action may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the Unit Owner, and shall include a Fine Notice as set forth in Paragraph 9.
9. Fine Notice. The letter(s) shall further state that the Unit Owner is entitled to a hearing on the merits of the matter in front of an impartial decision maker provided that such hearing is requested in writing within ten (10) days of the date on the initial or second letter pursuant to Paragraph 7 and Paragraph 8. On a violation that is a safety/health violation since the letter only provides seventy-two (72) hours to cure, any request for a hearing will be after that period runs but the hearing has to be prior to any fines being applied.

10. Notice of Hearing. If a hearing is requested by the Unit Owner, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least fifteen (15) days prior to the hearing date.
11. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an "Impartial Decision Maker." An Impartial Decision Maker is defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the Association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.
12. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Neither the Complainant nor the Unit Owner or alleged Violator are required to attend the hearing. The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Hearings will be held in executive session pursuant to C.R.S. 38-33.3-308(4)(e). The Impartial Decision Maker shall, within a reasonable time, not to exceed fifteen (15) days, render its written findings and decision, and impose a fine, if applicable.
13. Failure to Timely Request Hearing. If the Unit Owner fails to request a hearing pursuant to Paragraph 9, or fails to appear at any hearing, the Impartial Decision Maker may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to

exist, the Unit Owner may be assessed a fine pursuant to these policies and procedures.

- 14. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Unit Owner within fifteen (15) days of the hearing, or if no hearing is requested, within fifteen (15) days of the final decision.
- 15. Fine Schedule for Violations that do Threaten Public Safety or Health. The following fine schedule has been adopted for all covenant violations that do threaten public safety or health:

First Notice	Initial Letter (¶7)
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After a Unit Owner has failed to cure a violation which threatens public safety or health within seventy-two (72) hours of being provided written notice of such violation, the Association may fine the Unit Owner fifty dollars (\$50.00) every other day until the violation is cured and may turn over to an attorney to file suit. Any fine notice shall notify the Unit Owner that failure to cure may result in a fine every other day and only one hearing shall be held.

- 16. Fine Schedule for Violations that do not Threaten Public Safety or Health. The following fine schedule has been adopted for all covenant violations that do not threaten public safety or health. The total amount of fines imposed per violation may not exceed five hundred dollars (\$500.00):

First notice of violation Up to ten (10) days to comply	Warning letter No fine
Second notice of violation (of same covenant or rule) Thirty (30) days to comply	Initial Letter (¶7) \$100.00
Third notice of violation (of same covenant or rule) Additional thirty (30) days to comply	Second Letter (¶8) \$400.00

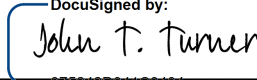
The Association may turn over any violation to the Association's attorney to take appropriate legal action once the two (2) thirty (30) day periods described above have expired.

17. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violation being resolved and staying in compliance with the Articles, Declaration, Bylaws or Rules.
18. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.
19. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
20. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
21. Amendment. This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on October 15, 2025 and in witness thereof, the undersigned has subscribed their name.

**Timber Springs Property Owners  
Association, Inc.,** a Colorado nonprofit  
corporation

By:   
Its: 075242D341C0404...  
President

**POLICY  
OF  
TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.  
REGARDING POLICY AND PROCEDURE FOR INSPECTION AND COPYING OF  
ASSOCIATION RECORDS**

- SUBJECT:** Adoption of a procedure for the inspection and copying of Association records by Owners and retention of Association permanent records.
- PURPOSE:** To adopt a policy regarding an Owner's right to inspect and copy Association records. To adopt a standard procedure to be followed when an Owner chooses to inspect or copy Association records.
- AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** October 1, 2025
- RESOLUTION:** The Association hereby adopts the following Policy and Procedures:
1. Records for Inspection. The following are the records of the Association which shall be deemed to be the sole records of the Association for purposes of inspection by Owners:
    - (a) Records of receipts and expenditures affecting the operation and administration of the Association;
    - (b) Records of claims for construction defects and amounts received pursuant to settlement of any such claims;
    - (c) Minutes of all meetings of Owners;
    - (d) Minutes of all meetings of Board members (except records of executive sessions of the Board);
    - (e) Records of actions taken by the Owners without a meeting;

- (f) Records of actions taken by the Board without a meeting, including written communications and e-mails among Board members that are directly related to the action so taken;
- (g) Records of actions taken by any committee of the Board without a meeting;
- (h) A list of the names of the Owners in a form that permits preparation of a list of the names and mailing addresses of all Owners, as well as the number of votes of each Owner is entitled to vote;
- (i) The Association's governing documents which are comprised of:
  - (1) The declaration;
  - (2) The bylaws;
  - (3) The articles of incorporation;
  - (4) Any rules and regulations and/or design guidelines; and
  - (5) Any policies adopted by the Board, including the Association's responsible governance policies.
- (j) Financial statements for the last three years, which at a minimum shall include the balance sheet, the income/expense statement, and the amount held in reserves for the prior fiscal year;
- (k) Tax returns for the last seven years, to the extent available;
- (l) The operating budget for the current fiscal year;
- (m) A list, by lot type, of the Association's current assessments, including both regular and special assessments;
- (n) The result of the Association's most recent available financial audit or review, if any;

- (o) A list of the Association's insurance policies, which shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed;
- (p) A list of the names, e-mail addresses and mailing addresses of the current Board members and officers;
- (q) The most recent annual report delivered to the Secretary of State;
- (r) A ledger of the requesting Owner's assessment account for their lot;
- (s) The most recent reserve study, if any;
- (t) Current written contracts and contracts for work performed for the Association within the prior two years;
- (u) Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
- (v) Ballots, proxies and other records related to voting by Owners for one year after the election, vote or action to which they relate;
- (w) Policies adopted by the Board;
- (x) All written communications sent to all Owners generally within the past three years;
- (y) A record showing the date on which the Association's fiscal year begins;
- (z) A list of the current amounts of all unique and extraordinary fees, assessments, and expenses that are chargeable by the Association in connection with the purchase or sale of a Lot and are not paid for through assessments, including transfer fees, record change

fees, and the charge for status letter or statement of assessments due; and

- (aa) All documents included in the Association's annual disclosures made pursuant to Section §38-33.3-209.4.

2. Exclusions. The Association may withhold from inspection and copying certain records as provided by Colorado law, and which shall not be deemed to be records of the Association, which shall include, but are not limited to:

- (a) Architectural drawings, plans and designs, unless released upon the written consent of the owner of such drawings, plans or designs;
- (b) Contracts, leases, bids or records related to transactions currently under negotiation;
- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- (d) Records of executive sessions of the Board;
- (e) Individual lot files other than those of the requesting Owners.

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

- (a) Personnel, salary or medical records relating to Individuals;
- (b) Personal identification and account information of Owners, including bank account information, driver's license numbers, social security numbers, email addresses and telephone numbers. Notwithstanding the above, if an Owner or resident has provided the Association with their express written consent to disclose their email address or phone number, the Association may publish that information to other Owners or residents. If the Owner or resident

revokes their consent in writing, the Association shall cease making available for inspection the Owner's or residents' email address or phone number after the receipt of such revocation, but the Association need not change, retrieve or destroy any document or record published by the Association prior to the Association's receipt of such revocation.

3. Inspection/Copying Association Records. An Owner or their authorized agent is entitled to inspect and copy any of the books and records of the Association, as listed above, subject to the exclusions set forth above, upon submission of a written request to the Association describing with reasonable particularity the records sought. The Association shall provide access to the requested records by:
  - (a) Making the requested records available for inspection and copying by the Owner within 10 days of the Association's receipt of such written request, which inspection shall be during regular business hours at the principal office of the Association; or
  - (b) Making the requested records available for inspection and copying by the Owner during the next regularly scheduled Board meeting occurring within 30 days of the Owner's request; or
  - (c) E-mailing the requested records to the Owner within 10 days of the Association's receipt of such written request, if so requested by the Owner.
  
4. Use of Records. Association records and the information contained within the records shall not be used for commercial purposes. Furthermore, while Owners are not required to state a purpose for any request to inspect the records of the Association, the membership list may not be used for any of the following without the consent of the Board:
  - (a) To solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;

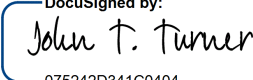
- (b) For any commercial purpose; or
  - (c) Sold to or purchased by any person.
5. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association to copy such records for the Owner. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies.
  6. Inspection. The Association reserves the right to have a third-party present to observe during any inspection of record by an Owner or the Owner's representative.
  7. Original. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.
  8. Creation of Records. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile or synthesize information.
  9. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
  10. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.

11. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
12. Amendment. This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on October 15, 2025 and in witness thereof, the undersigned has subscribed their name.

**Timber Springs Property Owners  
Association, Inc.,** a Colorado nonprofit  
corporation

By:   
Its: President

DocuSigned by:  
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TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION  
EXECUTIVE BOARD  
RESOLUTION

**AMENDED AND RESTATED POLICY FOR INVESTMENT OF RESERVE FUNDS AND  
PERFORMANCE OF RESERVE STUDY**

October 1, 2025

The Executive Board of Timber Springs Property Owners, Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

**RESOLVED**, that the following Amended and Restated Policy of the Association ("Policy") related to Investment of Reserve Funds and Performance of Reserve Study is hereby adopted and ratified and replaces in its entirety any policy governing investment of reserve funds previously adopted by the Association:

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

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

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

(a) *Safety of Principal*. Promote and ensure the preservation of the Reserve Fund's principal.

(b) *Liquidity and Accessibility*. Structure maturities to ensure availability of assets for projected or unexpected expenditures.

(c) *Minimal Costs*. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.

(d) *Diversify*. Mitigate the effects of interest rate volatility upon reserve assets.

(e) *Return*. Funds should be invested to seek a reasonable rate of return.

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

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

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

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

8. Reserve Study. In order to determine funding of the Reserve Fund, the Executive Board may determine, with the assistance and advice of professionals if so requested by the Executive Board, the life expectancy of those portions of Timber Springs to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study"). Although it shall have no obligation to cause a Reserve Study to be prepared at all, the Executive Board may cause a Reserve Study to be prepared at such time as is determined in the sole discretion of the Executive Board. The Reserve Study shall be based on a physical analysis and financial analysis. Any Reserve Study may be conducted internally by the Association.

9. Funding Plan. In the event a Reserve Study recommends any work, the funding plan for such work shall be as determined by the Board in the exercise of its business judgment and with regard to the recommendations of the Reserve Study. The Reserve Fund is the projected source of funding for any work recommended by the Reserve Study. The Reserve Fund shall be funded through regular assessments and, when necessary, special assessments levied by the Association.

10. Review of Reserve Study. The Executive Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.

11. Standard of Conduct. With regard to the investment of the Reserve Fund, the officers and Directors of the Association shall discharge such persons' duties as a Director or officer:

- a. In good faith;
- b. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- c. In a manner the Director or officer reasonably believes to be in the best interests of the Association.

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

13. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing the Association.

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

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on October 15, 2025, at which a quorum was present.

Dated: October 15, 2025.

Signed by:  
  
A748858319724FE...  
\_\_\_\_\_  
Michael Barry, Secretary

**POLICY OF TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.  
REGARDING REGISTRATION OF PHONE NUMBER AND EMAIL ADDRESS**

**SUBJECT:** Registration of phone number and email address pursuant to Colorado law.

**PURPOSE:** To provide a policy and procedure by which owners and their designated contacts, if applicable, are requested to register their phone number and email addresses for notification purposes pursuant to C.R.S. §38-33.3-209.5 of the Colorado Common Interest Ownership Act (the "Act").

**AUTHORITY:** The Declaration, Bylaws, Articles, and the Act.

**EFFECTIVE DATE:** [October 1, 2025](#)

**RESOLUTION:** The Association gives notice of its adoption of the following Policy and Procedure ("Policy") pursuant to which Owners and their designated contacts, if applicable, are requested to register their phone number and email address with the Association for notification purposes pursuant to the Act. The Policy is as follows:

1. Definitions. Unless otherwise defined below, capitalized terms shall have the meanings set forth in the Act and/or Declaration as applicable.
  - (a) "Owner" shall have the same meaning as in the Declaration.
  - (b) "Designated Contact" means a person that an Owner identifies to the Association to serve as a designated contact for the Owner to be contacted on the Owner's behalf for purposes of compliance with C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act.
  - (c) "E-Mail Address" means an electronic mail address.
  - (d) "Cellular Number" means a mobile number or cell phone number assigned to a mobile device that enables communication through cellular networks, including the ability to send and receive Text Messages.

- (e) "Text Message" means a written message sent from one cellular phone to another.
2. Compliance with the Act. As part of its procedures for collecting unpaid assessments, the Act requires the Association to contact the delinquent Owner or their Designated Contact, by two of the following means:
- (a) Telephone call to a telephone number that the Association has on file because the Owner or Designated Contact provided that number to the Association;
  - (b) Text Message to a Cellular Number that the Association has on file because the Owner or Designated Contact has provided the cellular number to the Association;
  - (c) E-Mail to an E-Mail Address that the Association has on file because the Owner or Designated Contact has provided the e-mail address to the Association.

The Act further provides that if the Owner or Designated Contact has not provided a telephone number, cellular number, or email address, the Association may satisfy this contact requirement via regular mail.

3. Registration of Phone and Email Address. Each Owner and their Designated Contact, if applicable, are requested to register their Cellular Number, telephone number (if different from Cellular Number), and E-Mail Address with the Association using any reasonable registration method adopted by the Association. The Association shall periodically request this information from each Owner and their Designated Contact, if applicable, and shall maintain it in the Association's records.

All contacts intended to be made by the Association to comply with C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act, will be made using the registered Cellular Number, telephone number, and E-Mail Address provided by the Owner or their Designated Contact.

If the Association attempts to contact the Owner or their Designated Contact by telephone but is unable to do so, the Association shall, if possible, leave a voice message for the Owner or Designated Contact.

4. Update of Contact Information. It is the responsibility of the Owner and their Designated Contact, if applicable, to keep their Cellular Number, telephone number, and E-Mail Address current with the Association using the registration method adopted by the Association.

Further, should the Association receive a response indicating an invalid number, blocked recipient, disconnected phone, etc., the Association shall not be required to seek any new valid information from the Owner or their Designated Contact. In such case, the Owner acknowledges that the Association is unable to provide the notice required pursuant to C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act.

5. Request for Contact Information Before Initiating Foreclosure. If required by Colorado law and if the Association does not already have the information, prior to sending a notice of intent to foreclose on a property, the Association shall request from the Owner or the Owner's Designated Contact, a telephone number for phone calls, a cellular number for texts, and an email address for emails.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on October 15, 2025 and in witness thereof, the undersigned has subscribed their name.

**Timber Springs Property Owners  
Association, Inc.,** a Colorado nonprofit  
corporation

By: \_\_\_\_\_  
Its: President

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# RECORD OF PROCEEDINGS

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## Minutes of the Annual Member Meeting Timber Springs Property Owners Association October 15, 2025

The 2025 Annual Meeting of the members of the Timber Springs Property Owners Association was held on October 15, 2025 at 9:00 am., concurrent with the Timber Springs POA Executive Board and Timber Springs Metropolitan District meetings, via electronic Zoom meeting , Meeting ID: 871 6708 0444.

### Attendance

The following Members were present and acting:

- Michael Barry for Bangor LLC, Lots 4 and 5
- Robert Samit for Timber Springs Road LLC, Lot 6
- John Turner for JTT Partners LTD, Lot 7
- Patrick Martin, Lot 8

The following members were present by Proxy:

- JMCG Colorado LLC (Chen), Lots 1, 2 and 3

Also in attendance were:

- Alina Maruri, proxy for JMCG Colorado LLC
- Ken Marchetti, Marchetti & Weaver, Association Manager
- Beth Johnston, Marchetti & Weaver, Secretary for the meeting
- Brian Brandl, Sabra Services, Property Manager
- Adrian Garcia, assistant to Mary Chen

### Call to Order

The annual meeting of the Timber Springs Property Owners Association was called to order by Ms. Johnston on October 15, 2025 at 9:04 a.m. Ms. Johnston called roll and confirmed a quorum was present.

Ms. Johnston certified for the record that notice of the meeting was provided as required by the Association's bylaws. The members, by attending, acknowledged receipt of the notice.

### Minutes

By motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the October 22, 2024, Annual Member Meeting as presented.

### Owner Education

Mr. Marchetti explained the state requirement that Associations provide at least one owner education training per year. The education topic chosen is Road Overlay plans and timing. Mr. Brandl reviewed the process for the road inspection and cost estimate by Alpine Engineering explaining that troublesome areas would be addressed without needing to grind and resurface the entire road. Ms. Johnston explained the project would be completed by the Metropolitan District and reviewed the timing of the project with notice of the public bid going out at the end of January, the Board deciding on a contractor at a special meeting in March, and the

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# RECORD OF PROCEEDINGS

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## Timber Springs Property Owners Association October 15, 2025 Annual Meeting Minutes

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project being completed in May once asphalt is available. General discussion continued on using the grindings to build up the road shoulders, especially around the corners and benefits of funding the project through the POA assessment and transferring to the Metropolitan District for project completion.

### **Financial Statement & 2026 Budget**

The 2026 preliminary budget was discussed and approved during the Executive Board meeting, held concurrently. There was no motion to veto the budget and the 2026 budget was approved as presented.

### **Election of Directors**

The floor was opened for nominations for two Director seats up for election in 2025. Following discussion, John Turner and Robert Samit were nominated. There being no other nominations, Mr. Turner and Mr. Samit were elected by acclamation, each for a 3-year term expiring in 2028.

### **Adjournment**

There being no further business to come before the Association, upon motion duly made and seconded it was unanimously

**RESOLVED** to adjourn the annual meeting of the members of Timber Springs Property Owners Association on this 15th day of October, 2025.

Respectfully submitted,

Beth Johnston  
Secretary for the meeting

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# RECORD OF PROCEEDINGS

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## Minutes of Executive Board Meeting Timber Springs Property Owners Association October 15, 2025

A meeting of the Executive Board of the Timber Springs Property Owners Association was held on October 15, 2025 at 9:00 am., concurrent with the Timber Springs POA Annual Member and Timber Springs Metropolitan District Board meetings, via electronic Zoom meeting, Meeting ID: 871 6708 0444.

### Attendance

The following Directors were present and acting:

- John Turner, President term ends 2025
- Pat Martin, Treasurer term ends 2027
- Michael Barry, Secretary term ends 2027

The following Director was present via proxy:

- Mary Chen, Asst Sec/Asst Treas term ends 2026

Also in attendance were:

- Robert Samilt, owner Lot 6
- Alina Maruri, Proxy for Mary Chen
- Ken Marchetti, Marchetti & Weaver, Association Manager
- Beth Johnston, Marchetti & Weaver, Secretary for the meeting
- Brian Brandl, Sabra Services, Property Manager
- Adrian Garcia, assistant to Mary Chen

### Call to Order

The meeting of the Executive Board of the Timber Springs Property Owners Association was called to order by Ms. Johnston on October 15, 2025 at 9:04 a.m. confirming a quorum was present.

### Changes to Agenda

Discussion on the Facilities License Agreement was added to Other Business.

### Minutes

By motion duly made and seconded, it was unanimously **RESOLVED** to approve the minutes of the October 22, 2024, Executive Board Meeting as presented.

### Policies

Mr. Marchetti explained the state legislation passed in recent years resulting in the need to update the Association's policies to bring them into compliance. Ms. Johnston confirmed that the policies for consideration were updated by Altitude Community Law to be in full compliance with State legislation passed in or before 2025. She also confirmed that the policies had been distributed to all owners on August 1, 2025 for a minimum 30-day comment period in accordance with the Association's current policies amendment policy. Comments received

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# RECORD OF PROCEEDINGS

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## Timber Springs Property Owners Association October 15, 2025 Board Meeting Minutes

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were addressed. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOVLED** to adopt the following updated policies effective immediately:

- i. Procedures for Collection of Unpaid Assessments
- ii. Procedures for the Conduct of Meetings
- iii. Policies and Procedures for Covenant and Rule Enforcement
- iv. Policy and Procedure for Inspection and Copying of Association Records
- v. Policy regarding Registration of Phone Number and Email Address
- vi. Amended and Restated Policy for investment of Reserve Funds and Performance of Reserve Study

### Other Business - Facilities

**License Agreement** Ms. Johnston gave an overview and update on the Facilities License Agreement between the Metropolitan District and Lot 8 currently owned by the Martins. Mr. Marchetti reviewed his role on the Metropolitan District Board and due to that relationship, the District took direction from the POA. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to authorize Mr. Marchetti, current MD Board President, to sign the Facilities License Agreement on behalf of the District with the Metropolitan District Secretary and POA President attesting the agreement, once it was finalized

**Operations Report** Mr. Brandl gave the following report on operations:

- Maintenance was completed to dress up the area including painting posts and fixing signs.
- Due to the dry conditions this summer, only one native cut was needed instead of two.
- All owners have been added as administrators on the gate software to allow owners to hold the gate open. Detailed instructions will be prepared and emailed to all owners.
- The tree lights are working. Strings will be replaced starting next year after the road project is completed.
- Completivie bids for snow removal and landscaping were obtained and will be reviewed later in the meeting.

**Financial Report** Mr. Marchetti reviewed financial reports. Operating assessments collected in 2025 are covering expenses and the forecasted fund balances were reviewed.

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Timber Springs Property Owners Association October 15, 2025 Board Meeting Minutes

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**Vendor Contracts** Mr. Brandl reviewed the snow removal and landscaping vendor proposals included for consideration in the meeting packet. Discussion was had on the differences between the proposals, satisfaction with the current contractors, and whether the new contractor would be able to provide the same or better service than they are currently receiving. Mr. Brandl reviewed the management proposal. He confirmed the 15% project fee was rarely used and he was planning to charge the per hour rate for any work done on the road overlay project. Mr. Brandl was put in the waiting room while the Board discussed the Management proposal in more detail. Following discussion, Mr. Brandl was readmitted to the meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the proposal from Premier Landscapes for 2025-2026 snow removal; and

**FURTHER RESOLVED** to approve the proposal from Indios Landscaping for 2026 Landscaping services; and

**FURTHER RESOLVED** to approve the 2026 Management proposal from Sabra Services with the condition that work done for the Road Overlay project would be charged at the regular hourly rate instead of a 15% project fee.

**2026 Budget** Mr. Marchetti reviewed the 2026 budget. Operating fund revenue shows assessments increasing to \$91,000 for 2026 to cover operating expenses which include a small inflation increase over 2025, providing a break-even budget for 2026. There was general discussion on gate enhancements to make it more aesthetically pleasing.

Replacement Reserve Fund – Mr. Marchetti and Ms. Johnston reviewed the Replacement Reserve schedule. Assessments are proposed to increase to \$84,000 for 2026 to cover the Road overlay project but are projected to decrease in future years. Mr. Marchetti reviewed how the Metropolitan District budget works with the POA budget for capital projects, allowing for savings on sales tax on capital projects and income tax savings on interest earnings.

Following discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve 2026 Budget as presented; and

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# RECORD OF PROCEEDINGS

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## Timber Springs Property Owners Association October 15, 2025 Board Meeting Minutes

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**FURTHER RESOLVED** to set the 2026 annual Assessments at \$175,000 with \$91,000 for the Operating fund and \$84,000 for the Reserve Fund.

**Election of Officers** Following election of Directors (see Annual Meeting Minutes of same date), and upon motion duly made and seconded, it was unanimously

**RESOLVED** to elect the following officers for 2026:

President	John Turner	term ending 2028
Vice President	Rob Samit	term ending 2028
Secretary	Michael Barry	term ending 2027
Treasurer	Patrick Martin	term ending 2027
Asst Secr/Treas	Mary Chen	term ending 2026

**Future Meetings** Following discussion, the Board set the next annual member meeting and board meeting for fall 2026 with additional Board meetings to be called as needed.

**Adjournment** There being no further business to come before the Association, upon motion duly made and seconded it was unanimously

**RESOLVED** to adjourn the Executive Board meeting of the Timber Springs Property Owners Association on this 15th day of October, 2025.

Respectfully submitted,

Beth Johnston  
Secretary for the meeting

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# RECORD OF PROCEEDINGS

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## Minutes of the Annual Town Hall Meeting of the Timber Springs Metropolitan District October 15, 2025

The Timber Springs Metropolitan District Annual Town Hall meeting per SB23-110 was held Thursday, October 15, 2025, at 9:00 a.m., concurrently with the Timber Springs Metropolitan District Board and Timber Springs Property Owners Association 2025 Combined Annual Member and Board Meetings via electronic Zoom meeting, Meeting ID: 871 6708 0444.

### Attendance

The following Director was present and acting:

- Kenneth Marchetti

Also in attendance were:

- John Turner, owner lot 7, non-elected District Secretary
- Michael Barry, owner lots 5 & 6
- Pat Martin, owner lot 8
- Robert Samit, owner Lot 6
- Alina Maruri, representative for JMCG Colorado LLC, owner lots 1, 2, & 3
- Brian Brandl, Timber Springs Property Manager
- Beth Johnston, Marchetti & Weaver, Recording Secretary
- Adrian Garcia, assistant to Mary Chen

### Call to Order

The Annual Town Hall meeting for Timber Springs Metropolitan District was called to order at 9:04 a.m. by Ms. Johnston, noting a quorum was present.

### SB23-110 Presentation

Mr. Marchetti reviewed the presentation included in the meeting packet including the infrastructure projects, outstanding bonds, and year-to-date financial statements for the District

### Public Input

No was no public input.

### Adjournment

There being no further business, upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Annual Town Hall Meeting of Timber Springs Metropolitan District Board of Directors this 15th day of October, 2025.

Respectfully submitted,

Beth Johnston  
Secretary for the Meeting

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# RECORD OF PROCEEDINGS

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## Minutes of the Special Meeting of the Board of Directors Timber Springs Metropolitan District October 15, 2025

A Special Meeting of the Board of Directors of Timber Springs Metropolitan District was held Tuesday, October 15, 2025, at 9:00 a.m., concurrently with the Timber Springs Metropolitan District Annual Town Hall Meeting and Timber Springs Property Owners Association 2025 Combined Annual Member and Board Meetings via electronic Zoom meeting, Meeting ID: 871 6708 0444.

### Attendance

The following Director was present and acting:

- Kenneth Marchetti

Also in attendance were:

- John Turner, owner lot 7, non-elected District Secretary
- Michael Barry, owner lots 5 & 6
- Pat Martin, owner lot 8
- Robert Samit, owner Lot 6
- Alina Maruri, representative for JMCG Colorado LLC, owner lots 1, 2, & 3
- Brian Brandl, Timber Springs Property Manager
- Beth Johnston, Marchetti & Weaver, Recording Secretary
- Adrian Garcia, assistant to Mary Chen

### Call to Order

The special meeting of the Board of Directors of Timber Springs Metropolitan District was called to order at 9:04 a.m. by Ms. Johnston, noting a quorum was present.

### Conflict Disclosure

Board members were asked to disclose any potential conflicts of interest in accordance with State Statute. Mr. Marchetti reported that he is an LLC member/manager of Marchetti & Weaver, LLC which serves as the Association Manager for the Timber Springs Property Owners Association and that Marchetti & Weaver, LLC is compensated on an hourly rate basis for the time they spend serving TSPOA and TSMD and that all compensation is paid through TSPOA. There were no other potential conflicts disclosed by any Board members.

### Consideration Of Agenda

Consideration of the 2025 Accounts Payable List was added under Other Financial.

### Annual Meeting per SB23-110

See separate minutes prepared and made part of these minutes.

### Public Input

Mr. Brandl inquired about his role as 24-hour contact for the Metropolitan District. Mr. Marchetti reviewed the new statutory requirement for Special

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# RECORD OF PROCEEDINGS

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## Timber Springs Metropolitan District October 15, 2025 Special Meeting Minutes

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Districts to designate an after-hours contact for emergent matters and confirmed that Mr. Brandl has been designated since he is already filling that role.

There was no other public input.

### Minutes

Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the October 22, 2024 special meeting minutes as presented; and

**FURTHER RESOLVED** to approve the October 22, 2024, Annual Town Hall meeting minutes as presented.

### Business

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to appoint the following officers for 2026:

President/Treasurer	Ken Marchetti
Secretary (non-elected)	John Turner

### Facilities License Agreement

Ms. Johnston gave an overview and update on the Facilities License Agreement between the Metropolitan District and Lot 8 currently owned by the Martins. Mr. Marchetti reviewed his role on the Metropolitan District Board and due to that relationship, the District took direction from the POA. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to authorize Mr. Marchetti, current MD Board President, to sign the Facilities License Agreement on behalf of the District with the Metropolitan District Secretary and POA President attesting the agreement, once it was finalized

### Financial Statements

Mr. Marchetti reviewed the Financial statements included in the packet explaining that the POA replacement reserve funds are being transferred into the District for funding capital projects. There was general discussion on the gate software project, and it was confirmed the project is complete and had come in under budget.

**Road Overlay** The road overlay project was discussed during the Owner Education during the Annual Member meeting. Following discussion, the

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# RECORD OF PROCEEDINGS

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## Timber Springs Metropolitan District October 15, 2025 Special Meeting Minutes

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Board authorized working with Alpine Engineering to proceed with the project.

**Entryway Landscape enhancement** Mr. Brandl presented the landscaping proposal to enhance the entryway. The proposal is an ala carte presentation for future enhancements. General discussion was had on phasing the work over several years, obtaining additional proposals, and adding more color and flowers. It was suggested that the landscaping contractor be directed to deadhead the current entryway flowers to prolong the blooming season.

Discussion turned to the gate and how to make it look less industrial. Following discussion, the Board requested Mr. Brandl paint the gate to remove the rust look and research new designs for consideration.

### 2026 Budget

Mr. Marchetti confirmed the meeting was published as the public hearing for adopting the 2026 budget and the public hearing was opened for comments on the proposed 2026 budget. Mr. Marchetti reviewed the 2026 budget, which includes minimal administration expenditures, and the Road Overlay capital project which will deplete the reserve fund. There is no mill levy proposed, and revenue will be transferred from the POA. Following discussion, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolutions to Adopt the 2026 Budget; and

**FURTHER RESOLVED** to approve the Resolution to Set Mill Levies for 2026 at 0.00 mills for operations; and

**FURTHER RESOLVED** to approve the Resolution to Appropriate Sums of Money for spending in 2026.

### 2025 Audit

Mr. Marchetti explained that the District is required to complete an audit or application for exemption from Audit for 2025. Following discussion, the Board directed Marchetti & Weaver, LLC to prepare the 2025 Application of Exemption from Audit.

### Accounts Payable

Ms. Johnston confirmed the Accounts Payable list was emailed to the Board prior to the meeting. Following discussion, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2025 Accounts Payable List as presented.

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# RECORD OF PROCEEDINGS

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## Timber Springs Metropolitan District October 15, 2025 Special Meeting Minutes

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### **24-Hour Posting Resolution**

Mr. Marchetti explained that state statute requires the District to designate a 24-hour posting location for notices each year. The posting location designates the District website for primary posting and designates a backup physical location in case online posting is not available. The Board reviewed the resolution and, upon motion duly made and seconded, unanimously

**RESOLVED** to approve the Resolution Designating Location To Post Notice.

### **Future Meetings**

The Board confirmed that the next meeting would be scheduled for spring 2026 with a date to be determined when the Road Overlay proposals are received. A fall meeting will also be necessary and will be scheduled to coincide with the Timber Springs POA Annual Member meeting, the date of which would be determined closer to that time. The District's 2026 Annual Town Hall meeting would be scheduled for directly before the Board meeting either in the spring or fall.

### **Adjournment**

There being no further business to come before the Board at this time, upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Special Meeting of Timber Springs Metropolitan District Board of Directors this 15th day of October, 2025.

Respectfully submitted,

Beth Johnston  
Secretary for the Meeting