

Arapaho Meadows HOA Policies

1. **Collection Policy:** Annual assessments are due on January 31 of each calendar year and are considered past due 30 days thereafter. Unpaid assessments after the “past due” date will be charged interest at the rate of 1% per month. If any payment is not honored by the Arapaho Meadows HOA's (AMHOA) financial institution, any non-sufficient funds fee (NSF) will be included in the assessment owed. If an owner's unpaid balance exceeds \$500.00, a payment plan may be requested by the owner. Any such plan will be a minimum of 6 months in duration and a maximum duration of one year. Payments will be applied to owner's accounts in the following order: fees, then interest, then principal owed. The following steps will be taken by the AMHOA Treasurer should an owner's account become late:
 1. Written notice will be mailed and emailed to the owner advising the account balance owed.
 2. The owner will be advised of the option to create a payment plan, when the amount owed is above the \$500.00 minimum.
 3. Monthly statements will be sent, showing principal owed, interest charges, and any fees incurred.
 4. Written notice shall be given to owner 14 days before their account is turned over for collection efforts, and a grace period before such action is taken may be offered.
 5. Owners will be directed to review the current Declaration of Covenants section 5.5 and 5.6 for legal remedies to collect unpaid assessments. Mediation is required prior to any legal action going to trial. Any special assessment collections will be handled similarly.
2. **Covenant Enforcement Policy:** The purchase and ownership of any lot within the Arapaho Meadows HOA implies the owner's knowledge of and intention to abide by its governing documents. If any owner is suspected of non-compliance with the governing documents, a procedure is established to include notice requirements, hearing procedures, and schedule of fines. Article Ten of the current Bylaws states the current notice and hearing procedures. A schedule of fines is not established in the documents, but is a state required part of any covenant enforcement policy. As such, if an owner is found to be in violation of the governing documents, a fine of \$25.00 per month shall be assessed to the owner's account until such time as the violation ceases. Mediation is required prior to any legal action going to trial.
3. **Conduct of Meetings Policy:** Article Four of the Bylaws covers various aspects of this policy including notice requirements (4.5), quorum requirements (4.6), use of proxies (4.7), budget meetings (4.3), and special meetings (4.4). Not specifically allowed in the documents, CCIOA now allows electronic notification of meetings and electronic voting on agenda items. Electronic methods may be used in addition to, but not in lieu of, current methods. Board of Directors meetings procedures are described in Article Six of the Bylaws. Specifically required and addressed in this policy is (6.7) concerning Board decisions made outside of 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 the Directors.” The basis of any meeting policy must rest on an understood structure of respect and civility. The meeting agenda will provide a sequential structure to discuss the various items. A sign up sheet to speak will be provided at the start of each meeting to ensure all participants have an opportunity to speak. Additionally, remarks will be limited to 3 minutes per topic per owner in an effort to ensure all owners have an opportunity to speak. Disruptive behavior, offensive language, or interrupting a current speaker will not be tolerated. Please silence your electronic devices. For any voting item or decision, a simple motion and second process will be observed.

4. **Inspection of Records Policy:** Article Eleven of the Bylaws generally covers most aspects of this policy. Specific documents required by Colorado HB 12-1237 (Jan. 2013) include: (1) detailed records of receipts and expenditures, (2) financial statements for the past three years and tax returns for the past seven years, and (3) financial records sufficiently detailed to enable the association to comply with C.R.S. 38-33.3-316(8) which entails production of a statement of unpaid assessments. Article 11 of our Bylaws outlines the process for an owner to request access to the HOA records and associated costs. All written records requests will be honored. One substantial difference between the Bylaw Article Eleven (a) and current CCIOA directives regards the statement that a record request must have a stated “specific purpose”. This stated “specific purpose” language is no longer allowed under state law.
5. **Conflict of Interest Policy:** In the execution of their AMHOA Board duties, Board members will consider the interests of the community and not any particular self interest. Accordingly, a Board member will not participate in the formation of policy or any decision in which a personal or business interest exists. If any Board member believes such a conflict of interest may exist, they have the obligation to report this possibility to the other Board members and such information will be noted in the official records of the Board. If the other Board members agree such a conflict exists, the affected Board member will recuse from any discussion or vote on such matters. Additionally, no Board member should serve in any other official capacity, for example, as a member of the Architectural Review Committee. An annual review of this policy is required.
6. **Investment Policy:** The policy of the AMHOA shall be that reserve funds outside the normal operating budget be invested in a priority of importance: The first level importance shall be the safety of principal, second shall be liquidity to the extent necessary to meet currently projected capital demands, and third shall be the rate of return. A further goal of the AMHOA will be to have sufficient reserves available to avoid or mitigate the need for “special assessment”.
7. **Adoption of Rules and Policies Policy:** Article Seven of the Bylaws addresses the powers and duties of the Board of Directors which would include the adoption and amendment of policies, procedures, and rules “necessary, desirable, or appropriate for the administration of the affairs of the Association and for operation and maintenance of the planned community.” Accordingly, the adoption of AMHOA rules or policies will be by majority vote of the Board of Directors.
8. **Alternative Dispute Resolution Policy:** Current Colorado statute and CCIOA regulations require HOAs to have some form of dispute resolution policy. Our documents contain no such provisions. The AMHOA adopts the following policy:

Should a legal remedy need to be applied by either the AMHOA Board, acting on behalf of the Association, or by an individual owner, such action will only be taken after mediation efforts are made by both parties. An independent mediator, agreeable to both parties, shall be retained to facilitate an agreement before going to trial in any matter. The cost of such mediation will be split equally among both parties.
9. **Reserve Study Policy:** Colorado law does not require a reserve study. In its simplest form, a reserve study is simply an analysis of the Associations potential financial needs beyond its known annual budget requirements and known funds. The statutes do require a policy be in place as to when such a reserve study must be undertaken and how often it will be updated. As

the documents provide no guidance in this area, the AMHOA Board adopts the following policy in this regard:

Any unknown non-budgeted item above 10% of current reserves will automatically trigger a reserve study analysis. Such an analysis will describe the reason for the proposed expenditure, the effects on reserve funds, the potential need to amend the current budget, and any potential effect on future dues requirements. This policy should be updated annually based on reserve levels.

These policies are adopted by the AMHOA Board of Directors on October 22, 2019.