

## **Shield-O Terraces Homeowners' Association**

### **Association Rules**

#### **1. Assessment of Members**

(a) Property owners within the Shield-O Terraces Subdivision are automatically Members of the Shield-O Terraces Homeowners' Association. The original Declaration of Protective Covenants, originally created by predecessor Snowmass Development Company as described in Book 235, Page 137 et seq. in the office of the Pitkin County Recorder of Deeds, contains metes and bounds describing the boundaries of Shield-O Terraces.

(b) The Association shall present to its Members at least once annually, a Budget for operations for the next fiscal year or operating period. Assessments required for effective administration of the Budget shall be clearly shown within that Budget. The Association shall assess each Member for the expenses of the Association on a pro-rata basis and present a billing to each individual Member for the annual assessment. The Association, through its Board, may issue special assessments to Members for special projects, improvements, repairs, or other expenses related to the common interests of the Association.

(c) If a Member has published an email address with the Association, the email address may be used to issue any billings, notices, or other communication as long as the email contains sufficient tracking information to assure its delivery to the member. In instances of Members not having email addresses, the Association shall send the billings by regular mail to the Members' addresses of record as shown on the Pitkin County Assessor's Records.

(d) Payment of Assessments:

The Association strictly forbids payments of checks or other drafts containing notations or restrictive endorsements thereon and, at its discretion, may refuse any such check or other draft of payment. Such payments may not be credited to the Member's account and the account shall remain due and payable. Proper payments by Members shall be credited to their respective accounts using standard accounting principles: payments shall first be credited against the oldest posting in the sequential order of interest, service charges, and then principal.

(e) Surplus funds and provision for reserves:

Within 6 months of the completion of the Association's fiscal year (June 30<sup>th</sup>), the Board of Directors will review the previous year's operations in combination with current cash balances to determine whether any "Surplus Funds" exist. "Surplus Funds" are hereby defined as cash balances (either in checking, savings or investment accounts) plus current, deemed collectable accounts receivables less current accounts payable. Any "Surplus Funds" determined by the Board to be in excess of the next year's operating budget plus any reserves requirements for future improvements or maintenance will be either credited or refunded to the members at the sole discretion of the board.

#### **2. Unpaid assessments**

(a) The Association may charge an administrative late fee of ten dollars (\$10.00) per month for any assessment that is not paid within 30 days of the billing date. Additionally, the Association reserves the right to impose interest or finance charges at a rate of twelve percent (12%) APR for assessments that are unpaid or outstanding beyond 30 days of the billing date.

(b) Any Association Member that is in arrears and has not fully paid the Association assessments in a timely manner shall not be permitted to vote on any matters before the Association. Voting rights shall be immediately and automatically reinstated by the Member-in-Arrears paying the account in full.

### 3. Collection of Unpaid Assessments

After a period of ninety (90) days from the billing date, the Association may assign any officer, director, or other qualified person to undertake any reasonable action to cause collection of unpaid assessments. Although Officers and Directors of the Association serve in a volunteer capacity, such collection effort by said Officer or Director shall be deemed as extraordinary and beyond the regular activity as an Officer or Director, and therefore be compensable to the Officer or Director at the rate of \$75.00 per hour. The Association shall assess the Member in Arrears, in addition to the pro-rata annual or special assessment, for any and all amounts payable for time and costs to the Officer, Director, or other qualified person in the collection effort. If the Officer or Director determines that the services of an Attorney at Law are required or are advisable, the fees charged to the Association for the services of said Attorney shall be assessed to the Member in Arrears at the billed rate of said Attorney, PLUS A 10% ADMINISTRATIVE CHARGE by the Association.

### 4. Member Liability for Assessments

Each Member is liable for assessments made against such Member's property during the period of ownership of such property. No Member/Owner may be exempt from liability for payment of the assessments by waiver of the use or enjoyment of any of the common elements or by abandonment of the property against which the assessments are made.

### 5. Fines

Given the value of the homes and the resources of the Homeowners within Shield-O Terraces Subdivision, the Board believes that fines must be significant in order to accomplish their purpose. Accordingly, the Board has established the following fines for a violation of the rules after a Homeowner has received a warning, had an opportunity for a discussion or a hearing with the Board, and the Board has reaffirmed its position that a violation has occurred or is continuing:

1. First violation after Board reaffirmation: \$1000
2. Second violation: \$2000
3. Third violation: \$5000

In certain cases, violations of these rules that are continuing after a warning (for example, the use of a temporary building as a residence) result in a fine on a daily basis for each day that the violation continues after a warning and opportunity to discuss the matter with the Board. These fines have been set at \$100 per day.

### 6. Use of Roadways within Shield-O Terraces

Shield-O Road and any of its tangents within Shield-O Terraces subdivision are Private Roadways with use of said roadways limited and restricted to Members of the Association, their personal and business guests. The Board will determine and assess Members road use fees. The maximum speed limit on any subdivision roadway is fifteen (15) miles per hour.

### 7. Board Meetings

Board Meeting may be called with due notice to conduct the business of the Association. In any event of a Board Meeting called to occur within less than ten (10) days notice to Board Members, said meeting shall not be duly organized unless non-attending members execute a Waiver of Notice of said meeting. Attendance shall sufficiently constitute a Waiver of Notice. Notice of all Board Meetings shall be posted on the Association website. Any Association Member that wishes to discuss a concern at the Board meeting shall first notify the Board in writing as to the scope of the concern. Otherwise, Association members that attend a Board meeting shall remain as observers only and may not participate unless directly requested by the Board.

### 8. Adoption of Association Rules

These Association Rules are to be adopted in accordance with the Second Amended Declaration effective on the \_\_\_\_ day of \_\_\_\_, 20\_\_.

9. Accordance

These Association Rules are intended to be in accordance with the Amended and Restated Declaration of Protective Covenants and Restrictions. If any portion of these Rules is found to conflict with the Amended and Restated Declaration of Protective Covenants and Restrictions, then the Amended and Restated Declaration of Protective Covenants and Restrictions shall prevail.

10. Interpretation.

The Board shall determine the meaning of any provisions of these Association Rules and in doing so may seek the advice of legal counsel. Any interpretation made by the Board shall be final and binding on all concerned and interested parties unless a court of competent jurisdiction shall determine otherwise.

11. Severability.

If a court of competent jurisdiction shall finally determine for any reason that one or more provisions of these Association Rules is contrary to law and unenforceable, such determination shall not affect or invalidate in any way the remaining provisions of the Association Rules which shall remain in full force and effect.

12. Disputes or Grievances

In accordance with CCIOA - 38-33.3-124. Legislative declaration - alternative dispute resolution encouraged – policy statement required, any Dispute or Grievance relating to the Association, Members of the Association, its Officers or Directors, shall be tendered in writing to the Board of Directors as follows:

Email: kevinm@peakvisions.net  
USPS Mail: Shield-O Terraces Homeowners' Association  
707 Shield-O Rd.  
Snowmass, CO 81654-9106

The written dispute or grievance shall set forth the detail thereof, and the Complainant's plea for resolution or reparation.

Within thirty (30) days of receiving said dispute or grievance, the Board shall notify all parties to the matter and, within sixty (60) days of receipt of the dispute, convene a special meeting for the purpose of hearing the dispute or grievance. At the special meeting, the Complainant(s) shall have opportunity to state the dispute or grievance and the Defendant(s) shall have opportunity to offer rebuttal. If the Board is unable to mediate a resolution between the Complainant(s) and Defendant(s), the Board, after deliberation and decision by a majority vote, shall render a decision in the matter and relate said decision to all parties to the matter. The decision of the Board shall be final.