

RULES OF CEDAR HEIGHTS COMMUNITY ASSOCIATION, INC.

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Revised April 12, 2016

RULES OF CEDAR HEIGHTS COMMUNITY ASSOCIATION, INC.

1. Assessment Collection Rule:

- 1.1 Common Assessments (sometimes called dues or maintenance fees) and the quarterly Special Road Fund Assessment, if any, are due and payable the first day of each calendar quarter (the Due Date), are delinquent if not paid within 10 days of the due date (this 10-day period shall be the “grace period”), and incur a late charge and bear interest as stated below. The Association will assess a returned check charge of \$20.00. The Association shall send to Owners annually, at least 30 days before the first quarter’s assessment is due, a notice setting forth the Assessments and due dates for the year. The Association may provide to owners additional reminders of Common Assessments and the quarterly Special Road Fund Assessment either in the form of an annual coupon booklet or by quarterly invoices. Notices and invoices are mailed to the current mailing address on file with the Association or sent electronically if desired by the owner. It is the Owner’s responsibility to keep the Association informed of any address or e-mail changes. Assessments are due on the scheduled date regardless of whether the invoice was received by the owner.
- 1.2 Special Assessment(s) other than the quarterly Special Road Fund Assessment are due and payable on the date or dates specified in the invoice(s) or notice for the Special Assessment(s). Such Special Assessment(s) shall be delinquent if not paid within the grace period for such Special Assessment(s). The grace period for such Special Assessment(s) shall be a 10-day period measured from the due date of the Special Assessment(s).
- 1.3 For purposes of this Rule, Common Assessments, Special Assessments, Site Assessments and Special Road Fund Assessments will be referred to collectively as “Assessments.” Payment of all Assessments shall be subject to this Rule. Upon an Owner’s failure to pay an Assessment before expiration of the 10-day grace period for payment, a First Notice of Delinquency (“First Notice”) shall be sent. The First Notice shall include a one-time late charge of \$50.00, applicable to that particular Assessment unless such late charge is otherwise waived by the Board for cause. The First Notice shall state that payment must be received within 30 days of the Due Date (see 1.1). The First Notice will also state the costs incurred by the Association to prepare and send the First Notice that will be added to the Owner’s account.
- 1.4 If payment of the total amount due is not received within 30 days of the date of the Due Date, interest shall accrue and be payable at the rate of 8 percent per annum, retroactive from the Due Date, on any amount(s) in arrears. In addition a Second Notice of Delinquency (“Second Notice”) shall be sent to the property owner on any amount(s) in arrears. Any cost charged to the Association to prepare and send out this Second Notice will be added to the Owner’s account and reflected in the Second Notice.

- 1.5 If payment is not received by the Association within 60 days after the Due Date, and prior to submitting the account to a collection agency or referring it to an attorney for legal action, the Association shall send a notice (the "Third Notice of Delinquency") informing the Owner about
 - 1.5.1 the total amount due (and a breakdown of how that amount has been determined);
 - 1.5.2 the method by which the Association may apply the Owner's payments to the delinquent account;
 - 1.5.3 instructions on how the Owner can contact the Association and enter into a payment plan, if eligible;
 - 1.5.4 contact information for the Association representative having access to and ability to provide a copy of the Owner's current ledger to verify the amount of the debt;
 - 1.5.5 the costs associated with this notice and the default that shall be borne by the Owner; and
 - 1.5.6 that action must be taken to cure the delinquency and the failure to take such action within 30 days of this notice may result in the Owner's account being turned over to the Association's legal counsel or a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of the lien against the Owner's property, or pursuit of other remedies available under Colorado law, and the Owner shall be responsible for the Association's reasonable attorney fees and costs incurred if any such action is taken.
- 1.6 The Association will make a good faith effort to enter into a written payment plan with an eligible Owner that complies with C.R.S. § 38-33.3-316.3. Such plan must be approved in writing by the Association Treasurer and the Owner and will allow, at a minimum, the Owner to pay off the deficiency in equal installments over a period of at least six months, in addition to keeping current on other Assessments as they come due during the repayment period. In the absence of such agreed-upon payment plan, or the failure of the Owner to comply with the terms of the payment plan or to remain current with Assessments as they come due, the Association may pursue other remedies as outlined in paragraph 1.7 below.
- 1.7 Prior to commencing any legal action against the Owner, the following must be adhered to:
 - 1.7.1 A payment plan as outlined in paragraph 1.6 must be offered to the Owner and the Owner must have either ignored or rejected the offered payment plan, or failed to comply with the terms of the payment plan.
 - 1.7.2 The Association's foreclosure of an assessment lien on an Owner's property may only occur if the balance of the Assessments and allowed charges secured by the lien equals or exceeds six months of Common Assessments. For any legal action other than foreclosure of a lien that the Association may take against an Owner, no minimum balance is required.

- 1.8 From the time the matter is turned over to legal counsel or some other designated agent for collection, the Owner must communicate only with the law firm or the designated collection agency to pay or settle the account. In addition to the Assessment amount(s) in arrears, the Owner must pay all late charges, interest, costs of collection, and legal fees incurred by the Association.
- 1.9 An Owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:
 - 1.9.1 Attorney fees and legal costs and other costs of collection
 - 1.9.2 Association costs and expenses
 - 1.9.3 Late charges
 - 1.9.4 Interest
 - 1.9.5 Fines / Site assessments (if applicable)
 - 1.9.6 Common Assessments
 - 1.9.7 Special Assessments
 - 1.9.8 Other charges unrelated to any of the above categories, such as for trash collection services.
- 1.10 The Association does not accept checks containing restrictive endorsements.

2. Procedures for Adopting and Amending Rules:

- 2.1 After due consideration, the Board will draft or cause to be drafted proposed rules and/or revisions of the rules ("proposed rules") for the Board's proposed rulemaking.
- 2.2 The Board will cause notice of the proposed rulemaking and copies of the proposed rules or revisions to be announced via the website, newsletter, CHCA e-mail list, or other means of communication no less than 14 days prior to the Board meeting at which the Board will consider adoption of the proposed rules.
- 2.3 The notice of rulemaking will both request owners' written comments on the proposed rules to the address specified in the notice, to be received no less than 2 days prior to the proposed rule-making meeting of the Board, and the owners' personal oral comments to the Board at the rule-making meeting of the Board at the specified time, date, and place of meeting.
- 2.4 At its rule-making meeting, the Board will reasonably consider the owners' written and oral comments on the proposed rules. After the Board has considered the owners' comments, the Board will act upon the proposed rules upon proper motion, second, and discussion by the Board members only (and any others only as specifically requested by the Board) to adopt, reject, amend, or otherwise act upon the proposed rules, including, among other normal procedures of the Board, to adjourn the meeting from day to day or as otherwise specified by the Board.
- 2.5 Upon adoption of the final rules, as the rules may be amended by the Board, the Board shall mail by regular first class mail or hand deliver the rules as adopted to the owners at their addresses of record with the Association.

- 2.6 The date of adoption of the Rules or revisions shall be annotated on the front page of the Rules. The rules or any revisions shall become effective the date of passage unless otherwise noted.
- 2.7 The Association shall maintain the current, effective rules in an orderly manner so that owners and Board members may readily access the rules.

3. Enforcement of Governing Documents and Dispute Resolution Rule:

- 3.1 Authority and Purpose. The Association has the right to enforce compliance with the governing documents under Sections 8.10 and 8.11 of the Declaration. The Association will be diligent in the enforcement of the governing documents consisting of the Declaration, Articles of Incorporation, Bylaws, and Rules. Some formal resolutions of the Board of Directors and resolutions of the Members, maintained in the minutes of the Association, may be considered governing documents. As stated in the governing documents, reasonable enforcement of the governing documents is intended to maintain the values of all the property in the community, to induce voluntary compliance with the governing documents, and to make the community a desirable place to live. The objective of the Association is to be fair, firm, and consistent in its enforcement.
- 3.2 Definitions. For purposes of this Rule, "Association" or "Board" means the CHCA Board of Directors or any of the CHCA committees appointed for enforcement of the governing documents; "Person" shall mean and include any Owner or Related User (as defined in the Declaration) who is alleged to have violated the governing documents, or is found to have violated the governing documents. Any capitalized terms used in this Rule will have the same meaning as defined in the Declaration or other governing documents, unless the term is otherwise defined in this Rule.
- 3.3 Complaints. Complaints of violations to the governing documents will be referred to the appropriate committee chair (Covenants or Architectural Control) in writing (electronic mail or letter) or by telephone. Any Board member who receives a complaint will refer it to the appropriate committee for resolution. If the violation cannot be resolved within a committee, the committee chair may refer the violation to the Board for resolution. The Association has the discretion not to act on a complaint where it does not believe enforcement action would be within its jurisdiction or where the Association believes its enforcement would not further the intent of the governing documents. If the Board believes it is in the Association's best interest, the Board may initiate an enforcement procedure in lieu of, or in addition to, committee action.
- 3.4 Enforcement Procedure:
 - 3.4.1 When Notice is Not Required Under this Rule. The notice provisions under this Rule will not apply to situations where the Board determines, in its reasonable discretion, that an emergency or other circumstance exists that justifies immediate enforcement or remedial action be taken. To the extent possible, in the event of an emergency the Association will provide notice to the Person alleged to be in violation as promptly as possible.
 - 3.4.2 Notice of Violation. If a Person is believed to have violated any of the governing documents (other than the requirement to pay Assessments, the subject of which is covered separately under the Declaration and in the Assessment Collection Rule), the Association will promptly give written notice to the Owner (and Person, if not the same as the Owner) of the alleged violation. The written notice will be given to the Owner and the Person (if not the Owner) by hand-delivery, electronic mail, facsimile

or regular U.S. Mail, postage prepaid. The Association may also give a courtesy notice of the violation by personal or telephone contact with the Person, and in that event, the verbal notice will be followed up with the written notice described in this section.

- 3.4.3 Contents of Written Notice. The written notice will state the nature of the violation, the provision in the governing documents the Person is alleged to have violated, the corrective action to be taken, the deadline for correction of the violation, which will generally be fourteen (14) days from the date of the notice, unless the Association determines a shorter or longer time period is appropriate for the corrective action, and a statement describing the type of enforcement action the Association may take if the Person fails to correct the violation within the designated time period (see Exhibit A).
- 3.4.4 Failure to Correct Violation. If the Person fails to correct the violation within the designated time period stated in the notice, then the Association may take action to enforce the governing documents by any remedy provided in the governing documents, including the levying of fines and/or initiation of a court action against the Person alleged to be in violation. If enforcement action is taken, the Association will seek to recover all of its costs of enforcement, including costs to the Association charged by agents, court and/or hearing costs, and costs of enforcement and collection, including reasonable attorney fees.
- 3.4.5 Hearing. The Person receiving notice of the violation may request a hearing by written request to the Association within five (5) days from the date of the written notice of violation delivered to the Person. If the Person does not request a hearing, and the violation is not corrected within the deadline stated in the written notice, the Association will schedule the enforcement matter for a hearing before an impartial decision-making body as set forth in Sections 3.5.6 below. In general, hearings will be scheduled to occur on a date no later than fourteen (14) days from the deadline imposed for the correction of the violation contained in the written notice, unless the Association, in its sole discretion, extends the time to schedule the hearing. The Association will deliver to the Person written notice of the hearing, stating the date, time and location of the hearing. While the hearing and decision is pending, the Association will not take further action to enforce the violation, unless an emergency exists or damage to property appears imminent.
- 3.4.6 Composition of Decision-Making Body. The impartial decision-making body will consist of at least three members of the Board who, as a result of the outcome, will not derive any greater direct personal or financial benefit or detriment than will the general membership of the Association. A Board member shall not be considered to be an impartial decision-maker if he or she lives or owns property within five hundred feet of the exterior boundaries of the property upon which the alleged violation has occurred. If there are not at least three Board members eligible to serve on this impartial decision-making body, the Board may appoint other CHCA members to serve on the hearing panel as needed. Any such CHCA members so appointed will meet the same criteria for impartiality as applied to Board members. Alternatively, the Board may appoint one neutral decision maker to hear and determine the matter.
- 3.4.7 Hearing Procedure. The hearing shall be conducted for the purpose of fact and information gathering. Formal rules of evidence will not apply. The Association and Person will have the opportunity to present evidence and testimony, and to have attorneys represent them at the hearing. The hearing will occur whether or not the Person alleged to be in violation is present at the hearing.

- 3.4.8 Written Decision. The decision-making body will issue a written decision within seven (7) days from the date of hearing. A copy of the written decision will be delivered to the Person by hand delivery, electronic mail, facsimile or by regular U.S. mail, postage prepaid. If the Board determines that the alleged violation did occur and assesses a fine against the violator, the violator shall have fourteen (14) days from the date of the hearing in which to pay the fine and to correct the violation. If, as a result of the hearing, it is determined that Person should not be held responsible for the alleged violation, the Association may not recover any of the Association's costs or attorney fees incurred in hearing the claim.
- 3.4.9 Amount and Payment of Fines. The Association has the right to assess a fine, not to exceed \$100 per incident, after determining that a Person violated the governing documents. However, if the Person is found to be in violation of the Third Amendment to the 1993 covenants (which prohibits the rental or lease of any property within Cedar Heights for less than one calendar month), the Association may assess a fine up to \$1,000 per incident. The Association believes the amount of the fine for a violation of the Third Amendment is reasonable, based on the amount of rent an Owner may receive for a short-term rental in the community and the Association's intent that the imposition of a fine should act as a deterrent to future violations. If the violation has not been remedied within fifteen (15) days from the date of the decision, or if the Person repeats the violation within thirty (30) days from the date of the written decision on the initial enforcement action, the Association, without an additional hearing, may levy an additional fine that is double the original fine. The additional fine will be due and payable within fifteen (15) days after the date of the imposition of the additional fine. Additional fines (double the original fine) for continuing violations may be imposed at the Board's discretion. All fines that are not paid within fifteen days after imposition will be added to the Owner's account with the Association and shall be treated in all respects as a "Site Assessment" as provided in Section 11.9 of the Declaration. The Association may take action to collect the Site Assessment in accordance with Article 11 of the Declaration.
- 3.4.10 Other Association Enforcement Action. At any time during the enforcement process, the Board may, in its sole discretion, stop the process to initiate or continue the assessment of fines and may take other appropriate legal or injunctive action.
- 3.4.11 Alternative Dispute Resolution. At the sole discretion of the Board, arbitration or other alternative dispute resolution methods may be proposed to the alleged violator as a means to resolve the matter.

Exhibit A

Enforcement of Governing Documents and Dispute Resolution Rule

Cedar Heights Community Association, Inc.
2250 BLACK CANYON ROAD, COLORADO SPRINGS, CO 80904-4600

HEARING NOTICE FOR POSSIBLE FINES BY ASSOCIATION

Date:

Address:

Notice of Hearing and Opportunity to be Heard

Dear Homeowner or Property Owner:

As a property owner in a community subject to governing documents, you have definite responsibilities to the Association and to the other property owners in the community. This includes compliance with covenants or agreements found in the governing documents, such as the Declaration, and certain owner obligations to maintain, repair, and/or correct the conditions on your property and/or the exterior of your home.

This is notice of a hearing on your apparent violation of **Section** _____, _____, **of the** _____ as follows:

The Board has appointed an impartial decision-making body to hold a hearing to determine the existence of the violation(s), whether or not you committed the violation(s), and what action the Association will take under the governing documents, including possibly levying a fine against you in the amount of \$_____. You have the opportunity to attend, to hear any allegations against you, to present your side of the story, and to be heard at the hearing. Should you decide not to attend the hearing, the Board will proceed with the hearing of the matter under the violation procedures in place and take appropriate action within the Board’s power.

Board of Directors Hearing: Day of the week _____,
Date: _____, 20____
Time: _____
Location: _____

Board of Directors
Cedar Heights Community Association, Inc.

By _____

cc: Board of Directors
Owner / Occupant

4. Association Records and Information:

The Association will keep all records required by C.R.S. §§ 38-33.3-209.4(2) and 38-33.3-317 (1) and (5) and C.R.S. § 38-33.3-303(4)(b)(IV).

- 4.1 The Association may charge Members and Owners a fee, which shall not exceed the Association's actual cost to copy association records.
- 4.2 Members and Owners are allowed to inspect and copy records during normal business hours, if the request is made in good faith and for a proper purpose and the records are described sufficiently and are relevant. The Association shall make the requested records available within five business days of the Member's or owner's request or at the next regularly scheduled Board meeting if the next regularly scheduled Board meeting is scheduled within thirty days of the request, in the sole discretion of the Board. The Board shall advise the Member or Owner of the time and place of such inspection in writing within five business days of the Member's or owner's request. These records will be maintained at the principal address of the then current Secretary of the Association.
- 4.3 The secretary of the Association is responsible for maintaining records and fulfilling requests to inspect and copy the requested documents.
- 4.4 The Association shall maintain accounting records using generally accepted accounting principles.
- 4.5 Within 90 days of a change in the Association's address, designated agent, or management company, if any, the Association shall give written notice of the following items by first class mail, hand delivery, electronic mail or on the association's website:
 - 4.5.1 Names of the Association and the common interest community
 - 4.5.2 Name and address of the management company, if any
 - 4.5.3 Physical address and phone number for the Association and the management company, if any
 - 4.5.4 Date of recording of the Declaration and recording information.
- 4.6 Within 90 days after the end of each fiscal year, the Association will make the following information available to owners upon reasonable request:
 - 4.6.1 Date the fiscal year begins = January 1 of each calendar year
 - 4.6.2 Operating budget for the current year
 - 4.6.3 List of current regular and special assessments for houses and for undeveloped lots
 - 4.6.4 Annual financial statements, including reserves
 - 4.6.5 Results of any financial audit or review for previous fiscal year
 - 4.6.6 List of all Association insurance policies (property, general liability, director and officer liability, fidelity), including companies, policy limits and deductibles, additional insureds, and expiration dates
 - 4.6.7 Association's Bylaws, Articles of Incorporation, and Rules
 - 4.6.8 Minutes of board and Member meetings for prior fiscal year, with the exception of executive sessions of the Board
 - 4.6.9 Association's "Responsible Governance Policies (contained in Bylaws and Rules)

- 4.7 In the event of any damage to the Association's common area, Members shall first inform the Association through its managing agent (if applicable) and its officers so the claim may be evaluated and coordinated for most efficient handling with Association's insurance company. Although Owners may file claims against the insurance policy of the Association as if Owners were additional named insureds, Owners must first give the Association 15 days to respond and the insurance agent an opportunity to inspect the damage. Claims filed by Owners can have adverse impact on the Association's insurability or cost of insurance so the Board encourages Owners to coordinate claims through the Board.
- 4.8 The Association will provide free education annually to all Members on the general operations of the Association and the rights and duties of the Members, the Association, and the Board of Directors. The criteria for this education shall be determined from time to time by the Board.
- 4.9 The Association encourages education on good governance for the members of the Board. Upon submission prior to the seminar or course, the Board may approve payment of expenses for education for individual members of the Board if the education is directly related to good Association operations within the common interest community.

5. Federal and State Law Superseding CHCA Governing Documents:

Regardless of the language of the Association's governing documents, Federal and Colorado state law state that the governing documents are superseded by the following:

- 5.1 Flags no larger than 4 feet by 6 feet may be displayed on their property, in windows, or on homes and installed on flagpoles of no greater height than 12 feet.
- 5.2 Owner(s) or occupant(s) may display on the inside of their windows or doors a service flag (sometimes called blue star or gold star banner) of no more than 20 inches by 30 inches indicating the military service of a member of the owner's or occupant's immediate family during a time of war or armed conflict.
- 5.3 Owner(s) or occupant(s) may display one political sign on their property or in their window for each contested election and ballot issue from 45 days before through 7 days after an election. Each sign shall be no larger than 6 square feet.
- 5.4 A member of a volunteer fire department, and owner(s) or occupant(s) whose emergency service provider employer (as defined in Colorado Revised Statutes) requires such vehicle access, may park an emergency vehicle bearing an official emblem and weighing less than 10,000 pounds on the common interest community when it does not bar emergency access or other owners', occupants' or guests' reasonable use of streets.
- 5.5 Owner(s) may remove trees and shrubs around the home for fire prevention purposes if the removal complies with a written defensible space plan created by a governmental entity.
- 5.6 Owner(s) may replace cedar shake shingles with nonflammable shingles.
- 5.7 The governing documents cannot prohibit or limit xeriscaping or require turf grass only or primarily.
- 5.8 The Association shall not enforce covenants against the owners during a period of water restrictions when the lawns have died as a result of water restrictions if the owners are complying with the restrictions.

- 5.9 Installation of Over the Air Reception Devices (antennae) is permitted under the federal Telecommunications Act of 1996 subject to restrictions in the Act and the Association's right to impose reasonable restrictions on such installations.
- 5.10 Installation of renewable energy generation devices or energy efficiency measures is permitted under C.R.S. 38-30-168 subject to the restrictions in the Statute and the Association's right to impose reasonable restrictions on such installations.
- 5.11 Installation of an electric vehicle charging system for the Owner's own use. The system must be installed on the owner's property and may be subject to reasonable aesthetic provisions as determined by the Association.
- 5.12 Amendments to existing law or new laws that are enacted from time to time.

6. Financial Policies and Procedures:

- 6.1 Financial Soundness: It is the goal of the Association to be a financially sound organization.
- 6.2 Principles of Accounting: It is the policy of the Association that our financials be maintained according to Generally Accepted Accounting Principles. The Association will invest reserve funds in one or more accounts separate from the general operating account of the Association. The reserve funds shall be invested in conservative accounts with a small possibility of loss to the Association. The majority of the reserve funds shall be deposited in accounts and amounts that are fully insured against loss by an agency of the U.S. government.
- 6.3 Fiscal Responsibility: While the ultimate fiscal responsibility rests with the Board of Directors, the day-to-day responsibility rests with the Association's treasurer.
- 6.4 Bank Accounts: With the approval of the Board, the treasurer shall open and maintain such bank accounts as are needed for the transaction of business. The number of accounts shall be kept to a minimum. Whenever possible, the accounts shall be interest bearing accounts.
- 6.5 Separate Accounts: The Association's capital road fund account shall be kept separate and distinct from the Association's operating account(s). The Board may establish other separate accounts from time to time as it deems necessary.
- 6.6 Investment Policy: It is the goal of the Association to achieve an attractive rate of return on its funds while maintaining safety of principal. When the cash position of the Association permits, the treasurer shall place appropriate funds in reasonably liquid and safe interest-bearing money market instruments such as but not limited to Certificates of Deposit insured by the FDIC, or such other instruments fully insured against loss by an agency of the U.S. Government. The treasurer may also invest funds in other liquid, interest-bearing investments that are not insured, but that invest in financial instruments that are as safe as US Treasury Bills or US Treasury Bonds.
- 6.7 Reserve Policy: It is the goal of the Association to establish and maintain an operating reserve at least equal to one-fourth of a typical calendar year's operating budget.
- 6.8 Signature Requirements and Amount Limits: The only individuals authorized to draw funds and sign checks are the members of the Board of Directors and any agent(s) so authorized by the Board. Only one signature is required for withdrawal of funds or on checks written in the amount of less than \$5,000. Two signatures are required for withdrawal of funds or on checks written in the amount of \$5,000 or more except as (a) expressly required for electronic funds transfers

made for payroll, employee insurance benefits premiums and workers compensation insurance, or (b) for checks made out to Cedar Heights Community Association.

6.9 Annual Budget and Dues/Assessments: The Association's annual budget and the resultant dues/assessments are to be developed and proposed to the membership and acted upon according to the provisions set forth in the Bylaws and Declarations. The Board may spend more or less on any line item during the year. At its sole discretion, the Board may exceed the total approved budget amount in any given year provided that the amount in excess of the approved budget does not exceed the current operating reserves that have been allocated for this purpose.

6.10 Compliance with the Federal Tax Code: For any year in which the Association has generated excess net income, the Board shall adopt a resolution for Revenue Ruling 70-604 Election as soon as possible after the final year-end financial reports have been compiled.

7. Disclosures in Purchases and Sales of Property:

7.1 It is the policy of the Association to disclose information about the Association in a full and forthright manner to our Members.

7.2 The president and secretary of the Association shall be the primary contacts for the Association; however, any member of the Board of Directors may answer questions and disclose information about the Association. In doing so, the director shall always mention that all the disclosure information about the Association required by Colorado law will be made available to the seller to give to the prospective buyer, as required by law.

7.3 Disclosure of information by a director shall be limited to information about the Association. No director shall discuss any specific property or make any representations about a specific property, unless it is a common area property owned by the Association. Any individual director shall not make representations on behalf of the Board except to convey actions previously taken by the Board. Owners should understand that the Board acts as a whole and not by actions of individual Board members.

7.4 The secretary of the Association shall maintain a current file of the information the law requires to be given to a prospective buyer by a seller. The Association shall use its best efforts to accommodate a request by the seller and provide the required Association documents in accordance with the instructions from the seller as soon as possible.

8. Policy on Smoking, Open Fires, and Fireworks:

8.1 All outdoor smoking is prohibited on Association properties, including Solitude Park and Echo Canyon Park.

8.2 There shall be no outdoor fires on any Lot or on the Association properties, except fires in barbecue, braziers and outside fireplaces contained within facilities or receptacles intended for such purposes.

8.3 No Owner shall permit any condition on such Owner's Lot, which creates a fire hazard or is in violation of fire prevention regulations.

8.4 Fireworks are prohibited on Association properties.

9. Parking Restrictions Rule:

- 9.1 As provided in the Declaration of Covenants in Section 5.16, no motor vehicles owned, leased, rented or used by Members or owners or Related Users shall be parked overnight on any street within the Community Area.

10. Rule Regarding Animals:

- 10.1 As provided in the Declaration of Covenants in Section 5.15, no animals except domesticated birds or fish and other small domestic animals permanently confined indoors and except an aggregate of four domesticated dogs and four domesticated cats shall be maintained in or on any Lot within the Community Area and then only if kept as pets.
- 10.2 No animal of any kind shall be permitted which in the opinion of the Association makes an unreasonable amount of noise or odor or is a nuisance.
- 10.3 No animals shall be kept, bred or maintained within the Community Area for any commercial purposes.
- 10.4 No dogs or other pets shall be chained or enclosed on a Lot outside of the Dwelling Unit for any extended period of time, except by means of underground electronic fences or other invisible barriers or fences.

11. Rule Regarding Urban Wildfire Slash Disposal:

- 11.1 Waste organic materials generated by cutting shrubs and trees in order to mitigate fire danger on personal property may not be placed near roadside curbs any earlier than one month prior to any scheduled date for removal or chipping. Moreover any material left curbside after a removal or chipping date will be subject to enforcement under Section 5.6 of the CHCA covenants.

12. Policy on Conduct of Meetings:

- 12.1 The conduct of Member meetings and Board meetings shall be as specified in Articles 2 and 3 of the Association Bylaws.

13. Policy on Conflict of Interest:

- 13.1 The policy on conflict of interest is specified in Article 7.4 of the Association Bylaws.

14. Work hours for Builders, Contractors, Landscapers and Other Workers Doing Work Outside of the House.

- 14.1 These work hours apply to all construction (both inside and outside). They apply to all landscaping, and all other work being done outside of any home if being performed by hired workers or contractors. This includes new home construction, to include excavation and backfill work, as well as construction on or around existing homes.
- 14.2 Builders, contractors, landscapers or other workers doing such work will be denied entry into Cedar Heights except during the permitted hours.

14.3 "Construction" includes both inside and outside construction work and includes such things as new home construction, remodeling, replacement windows, new or replacement deck, or a new hardwood floor, as examples. Excavation or backfill work is considered "construction."

14.4 "Landscaping" includes new installation as well as repair or maintenance of existing landscaping.

14.5 "Other outside work" means work not fully contained inside the home or garage and might include such things as painting the exterior, or window washing, as examples. Work done inside the home that requires outside activities (such as carpet cleaning with an outside truck system, sawing or preparing materials outside the home or with the garage door open, as examples) are also considered "outside work."

14.6 The above examples are not all-inclusive.

14.7 Except for new home construction, these work hours do not apply to:

- Other workers doing exclusively inside work as long as the work is fully contained within the house or garage, with the garage and other exterior doors closed.
- Regular deliveries unless it is equipment, materials, or dumpsters for construction, landscaping, or other outside work.
- Residents doing their own landscaping or work on the home in which they currently reside.

14.8 Work hours and limitations are as follows:

- a. Monday thru Friday: 7 am till 7 pm for normal construction, landscape, and other outside work activity
- b. Saturday: 9 am till 5 pm for normal construction, landscape, and other outside work activity
- c. No construction, landscape, or other outside work activity on Sundays or the holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving or Christmas.

14.9 **Exceptions to the above work hours** can only be approved by the President of the CHCA Board or a designated representative. All resident complaints should directed to the President of the CHCA Board of Directors or the designated representative for resolution.

I, John Mauss, President of the Cedar Heights Community Association, Inc., hereby certify that these Rules of Cedar Heights Community Association were adopted by a majority vote of the directors present at a meeting held April 12, 2016 and were effective upon passage at that meeting.

ATTEST: *John Mauss*

President