

REDSTONE ESTATES ROAD ASSOC.

Annual Meeting

The Annual Meeting of the Membership will be held on Saturday, June 1st, beginning at 10 am, outdoors at 147 Cox Court (Tom and Irene Holtzer's). Parking near the location is available for those for whom walking presents difficulties. If you are able, please park along the road and walk in through the gate. We will have a full agenda and a number of items are very important to RERA's future. Please participate in person if at all possible, or by proxy if you can't be at the meeting in person. The Agenda is included in this Newsletter and the President's Letter (below) provides background information, details of matters that are on the agenda, and process information.

RERA PRESIDENT'S LETTER

Dear RERA Members,

New Policies

The April 2019 Newsletter was largely devoted to the new Policies, in preparation for the April 27th Meeting of the Board of Directors. (Thank you to all who participated in an outdoor meeting on a very chilly morning.) There was lengthy discussion of the proposed policies and opportunities for all present to provide input. Written input received prior to the Meeting also was discussed. After considering all input, the Board voted on the proposed policies following votes on a number of amendments that grew out of the earlier discussion. Some amendments were adopted by the Board, others were not. All Policies (as amended) were adopted. The new policies go into effect May 30th 2019. Hard copies will be available at the Annual Meeting, and copies will be sent to all members requesting them. Contact the RERA Secretary to obtain a hard copy via U.S. mail or a pdf file via email.

RERA Bylaws Overhaul

The adoption of the new Policies by the Board is the first step in bringing our governing documents into

compliance with the Colorado Common Interest Ownership Act (CCIOA) and what is regarded as best practices for non-profit corporations under Colorado statutes. The next step is to address our Bylaws.

With the help of an attorney with a great deal of relevant experience, the Board is bringing to the Membership a major overhaul of what is now covered in our Bylaws. In the new approach, topics in the current Bylaws are separated into two documents: 1) Declaration of Road Maintenance Covenants for Redstone Estates Road Association ("Declaration") and 2) Amended and Restated Bylaws of Redstone Estates Road Association ("Bylaws"). The Declaration conveys the "big and important statements" about RERA. The Bylaws focus on more "nuts and bolts" aspects of how we operate. For example, the Declaration defines such things as the land area of RERA, membership in RERA, allocation of votes, the process for changing assessments ("dues"); the new Bylaws address such things as how meetings are held, duties and powers of the Board of Directors, terms of Officers, and responsibility of Members. Separating these kinds of topics into two documents is somewhat analogous to having a Constitution and laws. The "big picture" is laid out in the Constitution and more

everyday aspects are dealt with in law. A key benefit to RERA of making this change is that it allows us to set up different mechanisms to adopt and amend the things in the two documents. Under our current Bylaws, everything contained in them can be amended by a simple majority of a quorum at a Meeting of the Membership. A quorum is defined as 30 “dues paying entities.” That means that it is possible for as few as 16 determined Members to amend any aspect of the current Bylaws. In contrast, the proposed Declaration requires the approval of 60% of ALL members to be adopted and similarly, approval of 60% of ALL members to amend. This protects the most important features of RERA’s governing documents from changes that are not well supported by the Members (just as the U.S. Constitution is protected from changes not well supported by the citizenry). On the other hand, processes for amending the Bylaws can and should be much less rigorous, and thus provide more rapid response to changing situations, because changing the Bylaws does not have the same foundational impacts.

In addition to the proposed structural changes to our governing documents, the changes to the Bylaws also are intended to:

- Clearly state the level of control each document has in relation to the others (declaration, over articles of incorporation, over bylaws, over policies).
- Eliminate any perceived inconsistencies between the newly adopted Policies and the Bylaws.
- Remove some items from Bylaws and address them in the Policies (for example, dispute resolution, details of financial procedures).
- Simplify to the extent possible the style of the document.
- Modernize some processes such as including the use of email.
- Eliminate inconsistencies within the Bylaws.
- Eliminate any unnecessary material.
- Comply with responsible governance guidelines required by Colorado law.
- Promote more effective RERA operation.
- Provide clearer guidance to all Members regarding what to expect from RERA under various situations.
- Promote recruitment of conscientious, competent individuals to serve on the Board of Directors.
- Reduce legal risks in the future.
- Protect the value of Member’s property (i.e. resale value and ease of finding a buyer). Member’s property value is in part determined

by whether RERA is perceived as an effective entity that complies with state statutes, and has good governance documents in place.

Process Information Related to Declaration and Bylaws

The current Bylaws will be in effect for the June 1st Meeting of the Membership. At the meeting we will:

- Vote to approve sending the proposed Declaration out to all Members for their approval. There will be opportunity to revise the Declaration prior to the vote.
- Vote to approve the proposed Bylaws. There will be opportunity to revise the proposed Bylaws. (The new Bylaws will not take effect until the Declaration is approved by the 60% of all Members through a mail/email process.)

Other Agenda Information

Because amendments may be offered to the Declaration and Bylaws at the Meeting, all members are strongly encouraged to participate in person. Participation in person will allow all Members to hear all the discussion about the documents, hear any proposed amendments, and then vote for or against the amendment and finally for or against adopting the document as a whole.

Proxy Voting If you cannot be present in person, please participate by proxy (the proxy form is included in this Newsletter). Be sure you give your proxy to a Member whose judgement you trust and explain what you think is important in guiding their decision on how to vote as your proxy for any amendments that may be offered and on the adoption of the amended document.

Election of Officers At the June 1st Meeting we will be filling a number of vacancies on the RERA Board. The terms of the president, treasurer, and assistant road manager are ending. In addition, the current secretary and assistant treasurer are resigning and their unexpired terms will need to be filled. If you have any interest in serving in one of these positions, please let someone know. Board service is a great opportunity to get to know your neighbors and to serve your community.

Please make every effort to prepare for this meeting by reading the information provided. Most importantly, please participate in the meeting in person or if that is not possible, please participate by completing the enclosed proxy form.

Best Regards,

Tom

**Redstone Estates Road Association
Annual Meeting
10:00 am, June 1st 2019
147 Cox Ct, (Fire Route 4 a-b)**

Agenda

1. Check in and distribution of ballots.
2. Announcements.
3. Minutes from last meeting.
4. Bylaws amendments.
 - 4.1. Proposed Amended and Restated Bylaws of Redstone Estates Road Association: Adopt.
 - 4.2. Proposed Declaration of Road Maintenance Covenants for Redstone Estates Road Association: Approve distribution to entire Membership for their approval.
5. Road Manager's Report.
6. Treasurer's Report.
7. Discussion of other Road Association business.
8. Nominations and elections
 - 8.1. Offices with terms beginning in 2019: President, Assistant Road Manager, and Treasurer.
 - 8.2. Offices that have unexpired terms but are vacant: Secretary and Assistant Treasurer.
9. Discussion of items brought forward by Members.
10. Final Announcements.
11. Adjourn.

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BOARD MEMBERS

PRESIDENT	TOM HOLTZER	(970) 482-9836	thomas.holtzer@colostate.edu
ROAD MANAGER	PAUL HUNT	(970) 231-9305	phunt@connellresources.com
ASST RD MAN	JOE PENDER	(970) 484-9478	ckloukides@gmail.com
TREASURER	CHRISTY JIRON	(970) 482-4403	christyjiron@aol.com
ASST TREAS	LINDA FIALKO	(970) 484-1940	llechertfialko@gmail.com
SECRETARY	SUSAN MILEY	(970) 484-8347	sgmiley@gmail.com

**DECLARATION OF ROAD MAINTENANCE COVENANTS
FOR
REDSTONE ESTATES ROAD ASSOCIATION**

This Declaration of Road Maintenance Covenants for the Redstone Estates Road Association (“Declaration”) is made by the Members of the Redstone Estates Road Association, a Colorado nonprofit corporation (“Association”) effective as of the date recorded with the Clerk and Recorder of Larimer County, Colorado.

Within the Association, access to the Lots is provided by previously constructed private roads (“Roads”) which are shown on the recorded plats for the property and which are commonly known by road names as:

- Davis Ranch Road
- Desillio Road
- El Arbol Drive
- La Escena Drive
- Via Venado
- La Hermosa Drive
- Split Stone Lane
- Redstone Drive
- George Stadler Road
- Cox Court
- Riley Drive
- Withrow Court
- Valnes Lane
- Chopp Court
- Sunset Sky Road
- Compostella Way
- Dirt Road

The Roads and Lots are generally within or adjacent to an area defined as:

T7N, R70W of 6th PM.
Section 5: Lot 8, 9, 13, and SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 6: Lot 3, 4, 5, 8, 9, 10, 11, 12, SE $\frac{1}{4}$ SE $\frac{1}{4}$
T7N, R71W of 6th PM.
Section 1: Lots 5 and 6
T8N, R70W of 6th PM.
Section 31: All.
Section 32: W $\frac{1}{2}$ W $\frac{1}{2}$.
T8N, R71W of 6th PM.
Section 36: All except SW $\frac{1}{4}$ SW $\frac{1}{4}$ 025 part and 029

The Members of the Association desire to provide for the maintenance, repair and replacement of the Roads (and certain related improvements) under the terms and conditions of this Declaration.

The Members of the Association also desire to submit the Association to the provisions of the Colorado Common Interest Ownership Act (“Act”).

The undersigned constitute no less than sixty percent of all the Members of the Association.

This Declaration of Road Maintenance Covenants for Redstone Estates Road Association, as may be amended, shall be deemed to run with the property.

Declaration

1. Submission of Property. The property within the Association will be held, sold, conveyed, transferred, leased, subleased, and occupied subject to the following covenants, conditions, restrictions, and easements which will run with the land and will be binding upon and inure to the benefit of all parties having any right, title, or interest in the Property or any portion thereof, their heirs, personal representatives, successors, and assigns.

2. Association.

2.1 Powers and Authority. The Association shall have all powers and authority provided by the Act (as amended from time to time) to perform its obligations under this Declaration.

2.2 Membership and Allocation of Votes. All Owners of Lots shall be Members of the Association. The Association shall have one class of membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of a Lot shall be the sole qualification for membership. Each occupied Lot (Lot that has a resident or an active business on it for more than thirty days in a calendar year) shall be allocated one vote unless multiple Lots are held by one person, persons, or legal entity. When multiple lots are so held, one vote shall be allocated for each occupied Lot. An Owner of a land parcel adjacent to or near an Association Road or the land area described above may request Membership in the Association for the purpose of using Association Roads to access their land parcel. The Board of Directors may at their discretion grant such a request. Such a Member is allocated one vote.

3. Road Maintenance, Repair and Replacement. The Association is responsible for maintaining (including, without limitation, removing snow, and spreading sand and similar materials to improve traction under winter conditions), repairing and replacing the Roads (including grading, adding road materials such as road base and gravel, paving, and maintaining or adding culverts) so that the Roads provide adequate vehicular access to the Lots. In addition, the Association is responsible for maintaining, repairing, and replacing any directional or advisory signage (other than Road name signs). Such maintenance, repair, and replacement costs will be assessed against the Lots as provided in **Section 6** below.

4. Association Easement. The Association shall have the right to use the Easements (together with any other easements within which the directional and advisory signage may be located) so as to permit the Association, its agents, employees and independent contractors to perform the Association's maintenance, repair and replacement responsibilities.

5. Damage by Member. Notwithstanding anything to the contrary contained in this Declaration, in the event any need for Association maintenance, repair, or replacement referenced above is caused by any act or omission of a Member or a Member's agents, contractors or tenants, the cost of such maintenance, repair or replacement shall be the personal obligation of such Member, and any costs incurred by the Association for the same shall be assessed to such Member under **Section 6.2** below.

6. Assessments.

6.1 Common Expense Assessments. The Association, through its Board of Directors (“Board”), shall levy annual assessments (“Common Expense Assessments”) against the Lots to pay for (a) the Association’s maintenance, repair, and replacement obligations under this Declaration, (b) funding reserves, if any, (c) insurance premiums, (d) reasonable administrative and management costs, and (e) any other Board-approved expenses relating to the Association’s obligations under this Declaration. The Common Expense Assessment year shall be July 1 to June 30, unless a different fiscal year is chosen by the Board. The Owner of each occupied Lot shall be required to pay one Common Expense Assessment. Owners of land outside the Association area described above who have been granted Association Membership are required to pay one Common Expense Assessment. The Common Expense Assessment is set by a vote of the Qualified Voters (Members who have paid in full all required RERA Assessments by the date set by established procedure) at an Annual Meeting or a Special Meeting of the Membership. Changes to the Common Expense Assessment require 67% of the allocated votes of the Association present (in person or by Proxy) to be in the affirmative. The Common Expense Assessments shall be collected annually as determined by the Board. The annual budget shall be determined by the Board and provided for information purposes to the Members either at the annual meeting of the Membership or through such other communication as the Board considers advisable.

6.2 Damage Assessments. The costs referenced in **Section 5** above shall be levied as a Damage Assessment against the subject Member’s Lot.

6.3 Special Assessments. In addition to the annual Common Expense Assessments authorized above, the Association may levy, from time to time, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any repair to or replacement of the Roads or for any other Board-approved expenses relating to the Association’s obligations under this Declaration. Authorizing a Special Assessment requires 67% of the allocated votes of the Association present (in person or by Proxy) to be in the affirmative. The Owner of each occupied Lot shall be required to pay one Special Assessment. Owners of land outside the area described above who have been granted Association Membership are required to pay one Special Assessment.

6.4 Personal Obligation. Each Owner, by acceptance of the deed for any Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay all Assessments. Such Assessments, including fees, charges, late charges, attorney fees, court costs, fines, and interest charged by the Association, shall be the personal, joint, and several obligation of the Owner at the time when the Assessment or other charges became due. The personal obligation to pay any sums due the Association shall not pass to a successor in title unless expressly assumed by the successor.

6.5 Default. Any Assessments, charges, fees, or penalties provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within 10 days after the date due, shall bear interest at 18% per annum or at such other lawful rate as may be set from time to time by the Board. In addition, the Board may assess a late charge thereon. Any Member who fails to pay any Assessments, interest, late charges, fees, or penalties of the

Association shall also be obligated to pay to the Association all costs and expenses incurred by the Association, including reasonable attorneys' fees, in collecting the delinquent amount, whether or not suit is filed. The total amount due to the Association, including unpaid Assessments, fees, penalties, interest, late payment charges, costs and attorneys' fees shall constitute a continuing lien on the defaulting Member's Lot, which lien shall have such priority, rights and characteristics as a lien under the Act. The Association may bring an action, at law or in equity, or both, against any Member personally obligated to pay any amount due to the Association, and may also proceed to foreclose its lien against such Member's Lot. An action at law or in equity by the Association against a delinquent Member to recover a money judgment for unpaid amounts due to the Association may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien. Foreclosure or attempted foreclosure of the Association's lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent amount due to the Association.

6.6 No Offsets. All Assessments shall be payable as specified by the Association, and no offset or reduction shall be permitted for any reason including, without limitation, any claim that the Association or its Board is not properly performing its duties or exercising its powers under this Declaration.

7. Miscellaneous Provision.

7.1 Enforcement/Attorneys' Fees. Enforcement of a Member's obligation to pay amounts due to the Association shall be as described in Section 6.5 above. Enforcement of any other provision of this Declaration shall be by appropriate proceedings at law or in equity, with the prevailing party in such proceedings being entitled to recover its costs and reasonable attorneys' fees.

7.2 Severability. If any provision or term of this Declaration is invalidated, such invalidity shall not affect the validity of the remainder of this Declaration.

7.3 Conflict. If there is any conflict between this Declaration and either the Association's Articles of Incorporation, the Bylaws, or Policies, this Declaration shall control.

7.4 Duration. The covenants, conditions and restrictions of this Declaration shall be in effect in perpetuity unless amended or terminated as provided in this Declaration.

7.5 Amendment. This Declaration may be amended (by (a) either modifying or deleting any existing provisions or (b) adding new provisions) or terminated at any time by a written and recorded instrument containing the signatures of at least 60% of the then record Qualified Voters of the Association.

7.6 Notice. Notice of matters affecting the Association may be given to Members by the Association, or by other Members, in the following manner: Notice shall be hand delivered or sent by United States mail, first-class with postage prepaid, to the mailing address of each Lot or to any other mailing address designated in writing by the Member. Such notice shall

be deemed given when hand delivered or, if mailed, three days after being deposited in the United States mail.

7.7 Waiver. No provision in this Declaration is waived by reason of any failure to enforce the provision, regardless of the number of violations or breaches which may occur.

7.8 Incorporation of Recitals. The Recitals are incorporated into this Declaration as substantive provisions.

[Signature pages follow]