

**Covenants and Rules Committee Meeting  
Fairway Pines Estates Owners Association  
Thursday, April 20, 2017 @ 1:00 PM (MDT)  
340 Bear Cub Drive  
Ridgway, CO 81432**

**1. Call to Order, Roll Call**

The meeting was called to order by Chairman Gay Dicus at 1:00 PM. The members present were Tony Litschewski and Erich Montgomery. Chris Carr, adviser, Gay Dicus and Judy Farrington, member, participated by phone. Jerry Farrington, adviser, participated by phone. Mike Forstner, Board President, participated by phone. Glen Yoder, member, was excused. Recording secretary, Mary Ann Guilinger, was present.

**2. Member comments (Limited to 2 minutes per person)**

None.

**3. Review for approval from Policies and Procedures:**

Of the fourteen Policy and Procedures, some have not been revised since 2007. The HOA attorney, Tom Kennedy, provided most of the changes for Sections 4, 7, and 9 to bring them up to the standards of the Colorado Common Interest Ownership Act (CCIOA).

The CRC went through all Sections paragraph by paragraph for typos, punctuation, and grammatical errors.

**4. Section 4, Conduct of Meetings and Voting**

The entire Section was discussed at length. There was discussion about the recording of HOA meetings. One CRC member was under the impression that the wiretapping statute in Colorado only requires one party to know that a recording is taking place; both parties don't need to know. That belief was incorrect, and the following was noted. The updated Section 4 was drafted by the HOA attorney; a specialist in HOA items.

Privacy is being invaded; it's an invasion of privacy without consent and the 4<sup>th</sup> amendment of the Constitution. The HOA meetings are private meetings. Recording meetings stops a free and open discussion. After further discussion, the section was left unchanged. After further discussion, Judy Farrington made a motion to approve the updated Section 4, Conduct of Meetings and Voting, and send the updated Section 4 to the Board. Gay Dicus second the motion. The CRC unanimously approved the motion.

**a. Section 7, Association Records Retention, Destruction, and Availability to Members**

The only updates to Section 7 were outlined in red. The updated language is directly reprinted from the CCIOA statute. The proposed changes clarify what is in the statute. Association members are entitled to certain information, not email addresses or phone numbers. If a member communicates with Association members, they need to make it clear that the communication is not Board generated or Board authorized.

Erich Montgomery made a motion to approve the updated Section 7, Association Records Retention, Destruction, and Availability to Members, and send the updated Section 7 to the Board. Tony Litschewski seconded the motion. The CRC passed the motion unanimously.

**b. Variance Form from Section 11, Variance Policy**

The Variance Form was missing from Section 11, Variance Policy. ARC drafted and approved the variance form which will be included in Section 11. Judy Farrington made a motion to approve the variance form to be included in Section 11 and send the updated variance form for Section 11 to the Board. Erich Montgomery seconded the motion. The CRC passed the motion unanimously.

### c. **Section 9, Finance Policies and Procedures**

Section 9 had not been updated since 2009/2010. Section 9 should have been amended in 2012 but was not. Appendices III, IV, V, and VI were deleted which leaves only three appendices. The new Appendix III (previously Appendix VII) includes updated cost data for the roads' maintenance through 2033. Parts were brought up to comply with CCIOA and drafted by the HOA attorney. The accounting procedures for the reserve fund are regulated by the IRS; the reserve fund should not be over or under funded if possible.

A question was raised about paving of the roads to be discretionary. The Association has had negotiation with Ouray County and the developer about paving the roads in the past, and the Land Use Code requires the developer to pave roads when applying for Special Use Permits and moving forward with PDP's. The covenants do not require that the Association maintain the roads; it just does.

If the Association takes out a loan from the reserve fund, does the loan have to be paid back with interest? Yes, according to the IRS, the Association must back the loan with a 2% interest rate which has not changed in 6-7 years.

Where are the sales proceeds from lots posted? According to Appendix I, the proceeds go into the Operations Account and all payments on the properties, water, sanitation district fees, property taxes, etc. come out of the Operations Account. Non-refundable ARC funds are deposited into two different accounts, Operations and Road Operations. If considerable damage is made to the roads from construction, fines are levied over and above the road impact fee. Refundable ARC funds are deposited into the conformance deposit account.

Out of the Road Operations Account, payments come out of the account for normal wear and tear on the roads, such as chip-sealing and filling potholes. Appendix 3 documents the suggestion to the Board for the transfer from annual dues to the Reserve Fund; in 2017 it is \$50. In 2018 and 2019, the projected transfer amount is scheduled to increase.

The Capital Improvement Fund Account was suggested by Middleton for unforeseen capital projects such as the water project.

Erich Montgomery made a motion to approve the updated Section 9, Finance Policies and Procedures, and send the updated Section 9 to the Board. Judy Farrington seconded the motion. The CRC passed the motion unanimously.

## **5. Adjourn**

Judy Farrington made a motion for adjournment. Gay Dicus seconded the motion. The meeting adjourned at 3:00 PM.

Respectfully submitted,

Mary Ann Guilinger  
Recording secretary  
May 13, 2017