



Cinnamonwood Estates Homeowners Association

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POLICY AND PROCEDURE MANUAL

The purpose of this manual is to provide all members of Cinnamonwood Estates HOA with a reference manual containing policies and procedures established by the Board of Directors. In the interest of brevity, an attempt has been made to include only that information which will be used under normal operating circumstances within the HOA. The governing documents for this manual are the governing documents of the HOA. This Manual is subject to change.

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www.cinnamonwoodhoa.org

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1 ADOPTION OF RULES AND PROCEDURES POLICY

The Board of Directors from time to time in accordance with Association's governing documents, may amend, adopt or delete, the Community Rules, Policies and Procedures (collectively "Policy") of the Association with a majority vote from the Board. Should the Board make changes to the above, it shall give all members via regular mail or electronic mail and posted on the HOA website, a copy within 30 days after adopting the change. Any part of governing documents that do not comply with federal, state and local law shall not be enforceable.

The Board shall consider the following in drafting a policy:

- ✓ Whether the governing documents or Oregon law grants the Board the authority to adopt such a policy;
- ✓ The need for such policy is based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
- ✓ The immediate and long-term impact and implications of the policy.

The adoption of every policy shall be listed on the agenda for the Board meeting prior to adoption by the Board and any owner who wishes to comment on the proposed policy shall be afforded such opportunity at the meeting in compliance with Oregon law.

Upon adoption of a policy, the policy or notice of such policy (including the effective date) shall be provided to all owners by any reasonable method as determined by the sole discretion of the Board, including but not limited to posting on the Association's website.

Policies will be reviewed:

1. When subsequent changes or applicable laws are enacted; or
2. When we are notified of challenges of enforceability of existing policies; or
3. Every three years by the current Board of Directors

2 FINANCIAL POLICY

This policy sets out the requirements for use of all financial matters of the Association including bank accounts, budgeting, authorization of financial actions, hiring and supervising contractors, reconciliation of bank accounts and bank account transactions.

Budget: The Board of Directors adopts a comprehensive organization-wide budget for each fiscal year. The budget reflects all anticipated revenues from all sources and all anticipated expenses. The annual budget is presented to the property owners at the Annual Meeting and posted on the Association website.

Financial Reports: The board receives detailed financial reports monthly from the Bookkeeper. Regular review of the financial records is done by the Association Treasurer.

Check Signatures: The Board requires two Board members to sign checks. All check signers review the documentation attached to the checks prior to signing the checks. Currently, the Chair, the Treasurer, and one other Board member are authorized check signers.

Banking: The Treasurer and Secretary are the only persons authorized to transfer funds between the checking and savings accounts at the request of the Board of Directors.

Funds Received by the Bookkeeper: The Bookkeeper will check the p.o. box twice per week during the month the quarterly assessments are due. Assessments will be deposited in the bank account within one day of receipt of the funds.

Financial Records: The bookkeeper and Board work closely to maintain financial records in an appropriate manner. After posting entries, the bookkeeper reconciles the bank accounts to the bank statement, verifies balances in the accounts payable, accounts receivable, prepaid expense, and payroll liability accounts, and prepares a financial report which is distributed to the Board monthly.

Annual Financial Audit: An Audit committee is comprised of the Treasurer and up to three non-Board members. The Committee reviews the financial records of the Association following guidelines.

Indicators ratings:

E=essential

R=recommended

Rating	Indicator	Met	Needs Work
E	1. The organization follows accounting practices which conform to accepted standards.		
E	2. The organization has systems in place to provide the appropriate information needed by the Board to make sound		

	financial decisions and to fulfill Internal Revenue Service requirements.		
R	3. The organization prepares timely financial statements which are clearly stated and useful for the Board.		
R	4. The organization prepares financial statements on a budget versus actual and/or comparative basis to achieve a better understanding of their finances.		
E	5. The organization develops an annual comprehensive operating budget which includes costs for all programs, management and fundraising and all sources of funding. This budget is reviewed and approved by the Board of Directors and shared with Association members at the Annual Meeting.		
R	6. The organization periodically forecasts year-end revenues and expenses to assist in making sound management decisions during the year.		
E	7. The organization reconciles all cash accounts monthly.		
E	8. The organization has a review process to monitor that they are receiving appropriate and accurate financial information whether from a contracted service or internal processing.		
E	9. Persons employed on a contract basis meet all Federal requirements for this form of employment.		
R	10. The organization has a written fiscal policy and procedures manual and follows it.		
E	11. The organization has documented a set of internal controls, including the handling of cash and deposits, approval of spending and disbursements.		
E	12. The organization has a policy identifying authorized check signers and the number of signatures required on checks.		
E	13. All expenses of the organization are approved by the Board of Directors before payment is made.		
R	14. Capital needs are reviewed at least annually and priorities established.		
R	15. The organization has established a plan identifying actions to take in the event of a reduction or loss in funding.		
R	16. The organization has established, or is actively trying to develop, a reserve of funds to cover at least three months of operating expenses.		
E	17. The organization has suitable insurance coverage which is periodically reviewed to ensure the appropriate levels and types of coverages are in place.		

R	18. Taxes are filed according to IRS standards.		
R	19. A committee made up of several property owners is responsible for reviewing the financial records annually and reporting their findings to the Board of Directors.		
R	20. The Board of Directors reviews and approves the audit report and institutes any necessary changes.		
E	21. The audit, or an organization-prepared annual report which includes financial statements, is made available to property owners and other interested parties.		
E	22. Review of external bookkeeper/financial agency conducted annually		

3 COVENANT ENFORCEMENT POLICY

Enforcement of the governing documents is the responsibility of the Board of Directors. Any property owner or Board member may file a written complaint identifying the alleged violation, detailing time, date and nature of the alleged violation to the Board of Directors. Photos of the alleged violation are encouraged. The Board will then take the necessary steps to investigate the complaint and if warranted, issue a violation notice. Non-written complaints or written complaints failing to include any information required by this section may not be investigated.

HOA Violation Procedures

- ✓ When violations are reported to a board member, the board member visits the property where the violation is present and snaps a photo of violation (if applicable).
- ✓ Secretary sends notification email to the property owner when violation is present. If violation is not resolved in a timely manner, Secretary will present the violation at the next Board meeting. Board of Directors will ask Bookkeeper to send formal violation letter.
- ✓ Within seven days of notification by the Board, Bookkeeper will notify the property owner(s) of the violation with a 'friendly reminder' letter sent via email *and* snail mail to property owner. Property owner will be given 10 days to rectify the violation. Board member will visit the property on the 10th day to make certain violation is corrected.
- ✓ If violation is not corrected in 10 days, fines begin from the date of the original notice to property owner. If violation falls under the 'daily' fine structure, board member living closest to the property with the violation will monitor. Board member will report to Bookkeeper if/when violation is corrected.
- ✓ Bookkeeper will bcc all communication with the property owner to the Board.
- ✓ Violations that have not been mitigated within 60 days will come to the Board for discussion of next steps.

Attorney

If the alleged violator does not reconcile the violation within 60 days of notice email/letter, the matter may be submitted to the HOA attorney. Further, a second and subsequent covenant violation may be turned over to the Association's attorney to take appropriate legal action.

Board Decision Final

The Board reserves the right to waive or reduce the penalty at their discretion. Any penalties levied by the Board will be due immediately. Failure to pay will be treated in accordance with the governing documents.



Cinnamonwood Estates Homeowners Association

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Dear Community Member... As you know, we have Covenants, Conditions and Restrictions (CC&Rs) Bylaws. From the CC&R's and Bylaws, we have created this document listing the general rules and the fines for each violation. We ask that you please review the CC&R's and Bylaws to help assist you in understanding these rules. If there is a violation on your property, you will be notified in writing with adequate time to remedy the situation before fines are instituted. It is never our intent to *want* to impose a fine but the Board has the final and sole discretion to do so if a property is not in accordance with the rules. If in doubt, please contact the Board for clarification. This sheet is not meant to be all inclusive. The community member is responsible for understanding the CC&R's, Bylaws, and Schedule of Enforcement Liens (Fines) dated 11-2007.

PARKING AND VEHICLES	FINE
No overnight parking on the street. All vehicles should be parked in your garage or your driveway. Infrequent visitors may park in your driveway overnight.	\$25 day
Except for idling to pick up mail, parking in front of the mailboxes is prohibited.	\$25 day
Do Do not store/park overnight operational/non-operational utility vehicles, trailers, RV's, boats, or the like in your driveway, property, or street.	\$250 day
No No other vehicles or storage vehicles or containers may be parked in a driveway or at the curb for more than 24 hours without Board approval.	\$250 day
K Keep garage doors closed except when entering, exiting, or doing work in the garage or yard. Garage doors must be closed at night.	\$25 day
Please keep your vehicle's speed under 20 mph in the community	\$50/occurrence
NOISE & COMMUNITY ACTIVITY	
9 PM – 8 AM are considered quiet hours. Please keep loud noises to an acceptable level. This includes noise from pets and/or construction/maintenance on a property.	\$100 day
COMMUNITY VISUAL APPEAL	
Garbage, recycle, and yard debris bins/boxes need to be kept out of sight except the evening prior to pick-up. After pick-up, it is expected that the bins will be removed from from the curb the same day.	\$25 day
K Keep all non-landscape items out of front yards. The front and sides of each house are required to be kept free of items that detract from the visual appeal of the community.	\$100 week
Yard, Garage, Estate, Moving, etc. sales or any public event is prohibited in the community unless approved by the Board.	\$200 day
H Homeowners are required to water their lawns when necessary to keep their lawns green.	\$100 week
No No signs are allowed in the community except one small sign that advertises a unit for rent or sale and/or one small sign that indicates security protection of the property. Signs may not be handwritten.	\$100 week
No No businesses may be operated out of your property.	\$100 week

PETS	
Sm All pets are allowed after, and if, approved by the Board.	\$100 week until approved
Oth Other than normal residential pets, no animals (exotic or otherwise), swine, or fowl shall be raised, kept, bred or permitted on the property.	\$100 week
All pets, owned or visiting, shall be confined to the owner's unit or lot and shall not be permitted to run free or otherwise to become a nuisance or source of annoyance to other owners or occupants.	\$50 occurrence
No No outdoor kennels or pens are allowed, nor shall the pet normally reside outside the residence.	\$100 week
The unit owner shall be responsible for the conduct of pets of guests and no guest pet is allowed to stay overnight or visit frequently (more than 1 day a week) without the Board's approval.	\$50 occurrence or per day
Pet's waste must be picked up throughout the community.	\$50 occurrence
Do Do not allow your pet to urinate on a front lawn.	\$50 occurrence
LANDSCAPING AND ARCHITECTURAL CHANGES	
All All changes to landscaping, paint, roofing, hardscape, etc. that is viewable from the street must be approved by the Board prior to work commencing.	Up to \$2,500 week
Eac Each unit owner shall be responsible for maintaining their landscaping and yard so as not to reduce the value of adjoining unit's value.	Up to \$2,500 week
Board approval must be obtained prior to the installation of electric or telephone equipment, antennae or dish/disk, machines/AC units/heat pumps on the exterior of units.	Up to \$100 week

Revised

7/22/2020

Cinnamonwood HOA Board of Directors

4 ASSESSMENT & COLLECTION POLICY

Referenced to the Resolution of the Board of Directors: Collection of Unpaid Charges, Nov. 2007

The Board will direct all delinquent accounts to be promptly attended by the Association's bookkeeper for collection in order to minimize the Association's loss of assessment revenue. The following terms and processes have been defined and adopted by the Board to ensure each collection is handled fairly and consistently:

Due Date: The quarterly assessments shall be due and payable on January 1st, April 1st, July 1st, and October 1st of each year.

Receipt Date: The Bookkeeper shall log payments on the day that the payment is received in the bookkeeper's office.

Late Charges on Delinquent Assessments: The Association shall impose a late fee for each property owner who fails to pay his/her installment of the quarterly assessment.

The following steps will be utilized to provide for the uniform and systematic procedure for the collection of unpaid assessments. Items #1 and #2 referenced to Board action 11-14-2018:

1. If an assessment has not been received by the 10th of the month after the assessment is due, bookkeeper mails a letter to the homeowner before the 15th of the month explaining that a late fee was levied on the 10th and 18% per year interest will be levied on top of the late fee on the 30th of the month if assessment is not paid. Both fees accumulate until assessment and fees are paid in full.
2. If any assessment remains unpaid by an Owner after thirty (30) days from the due date, the Bookkeeper shall send a demand letter to the Owner within five days indicating the amount due, including notice of the late fees and interest, and demand for immediate payment thereof.
3. If any assessment remains unpaid by the Owner for more than sixty (60) days from the due date for its payment, the Board shall turn over collection to the Association's attorney ("Attorney"), who shall: (a) send a written demand for payment and any notice as required by the federal Fair Debt Collection Practices Act, if applicable; (b) prepare and record a lien against the Owner's unit; (c) notify the Owner within twenty (20) days of recording that the lien has been recorded; and (d) may notify any first mortgage or trust deed holder of the Owner's default, if applicable. The lien amount shall include all collection costs to date, including attorney's fees and the cost of preparing and/or recording the lien, any notice of lien required by law, and any notice to a first mortgage holder, if applicable. The demand for payment shall notify the Owner of the Owner's liability for payment of charges imposed by Attorney to cover fees and costs associated with all collection efforts. The demand for payment shall include all collection costs to date.
4. If any assessment remains unpaid by the Owner thirty (30) days after the date of Attorney's demand, Attorney shall send Owner a ten (10) day demand letter for payment notifying the Owner that if full payment is not received within ten (10) days of the date of the letter the Association

intends to file suit to either obtain a money judgment or foreclose on the lien. The demand shall include the updated amount owing, including all collection costs to date.

5. If any assessment remains unpaid by the Owner ten (10) days after the Attorney's ten-day demand letter/notice of intent to file suit, the Attorney shall file suit for a money judgment, unless the Board, after recommendation by Attorney, determines that lien foreclosure is advisable under the circumstances. In such cases, the Attorney may file a lawsuit for a money judgment, for foreclosure, or for both a money judgment and foreclosure, as permitted by applicable law.

6. If the Association is successful in obtaining a money judgment, Attorney shall collect on the judgment in this order, unless Attorney determines other actions or another order of collection is appropriate under the circumstances: (a) file and send a ten (10) day demand to pay judgment; (b) garnish accounts, wages and/or rents; (c) levy against any personal and real property; and (d) levy against the unit. Additional steps may be necessary to determine the availability and location of the judgment debtor's assets. If the Association is successful in a suit to foreclose on the lien, Attorney shall proceed as necessary to complete the foreclosure unless otherwise directed by the Board.

NOW, BE IT FURTHER RESOLVED, that all legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent Owner and shall be collected as an assessment as provided in the Bylaws, Declaration and the Act.

NOW, BE IT FURTHER RESOLVED, that all contacts and/or contracts with the delinquent Owner shall be through Attorney. Neither the Board nor any of its agents shall discuss the collection of the account directly with the Owner after it has been turned over to Attorney, unless one of the Attorneys is present or has consented to the contact and/or contract.

NOW, BE IT FURTHER RESOLVED, that Attorney shall have the discretion to enter into an installment payment plan with a delinquent Owner in appropriate circumstances. In all cases in which a lawsuit has been filed, any such plan must be secured by a Stipulated Judgment. Any payment plan providing for a down payment of less than the greater of one-third (1/3) of the delinquent balance or twice the current quarterly assessment, or a duration in excess of twelve (12) months shall require approval of the Board president.

NOW, BE IT FURTHER RESOLVED, that Attorney, in its initial demand notice, shall communicate to Owner that the account has been turned over to it for collection, and that all payments are to be made to Attorney until the account has been brought current. The Association hereby grants to Attorney its limited power of attorney to endorse for deposit checks made payable to the Association in satisfaction of accounts sent to Attorney for collection. Attorney shall deposit all payments in its trust account. All amounts collected shall be disbursed by Attorney according to the provisions of the Association and Attorney representation agreement.

NOW, BE IT FURTHER RESOLVED, that nothing in this Resolution precludes the Board from taking further action in the collection of unpaid assessments permitted by the Associations governing documents or applicable law, including, but not limited to, adopting or enforcing rules regarding the termination of utility services paid for out of assessments of the association and access to and use of recreational and service facilities available to Owners and, after giving notice and an opportunity to be heard, terminate

the rights of any Owners to receive such benefits or services until the correction of any violation covered by such rule has occurred.

Return Check Charges

In addition to any and all charges imposed, a return check fee, not to exceed \$35.00, shall be assessed against an owner in the event any check or other instrument attributable to or payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon demand. Failure to pay return check charge will result in interest at 18% per annum be applied to unpaid balance. If two or more of an owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that the owner's future payments be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an owner.

Amendments

This Policy may be amended from time to time by the Board of Directors.

5 ARCHITECTURAL REVIEW POLICY

The Board of Directors shall have the authority and duty to regulate the external design, appearance, location, and maintenance of any and all improvements on the property and all landscaping thereon in accordance with the provisions set forth in the governing documents.

Approval Process

Property owners must submit an Architectural Review Form (found on the HOA website or by contacting the Board secretary) prior to work commencing. Property owner does not need to be present at the Board meeting; they may elect to have the architectural chair submit their request on their behalf. Board may ask for further information from the property owner which may delay approval. Whatever the decision of the Board, architectural chair will communicate the Board's decision within 24 hours after the adjournment of the Board meeting.

6 CONDUCT AT MEETINGS POLICY

This policy addresses several items regarding the conduct of any meeting held by the Association.

Notice of Board of Director Meetings

Board meeting dates will be posted on the HOA's website and emailed to property owners prior to each regular and annual meeting. The board at its discretion may alter the order of business for any meeting.

Board Meeting

Homeowners are encouraged and welcome to attend all Board meetings and homeowner's comments are also encouraged. The Chair of the Association may, at their discretion, set a time limit on the comments from each property owner as set forth in the Conduct at Board Meetings section below. The Chair of the Association, or designee, shall chair all Board meetings.

Conduct at Board Meetings

- >All Board meetings shall be governed by the following rules of conduct and order:
- >All persons who attend a meeting of the Board shall be required to give their name(s) and unit(s) address.
- >All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during guest comments at the beginning of the meeting.
- >Anyone desiring to speak shall first be recognized by the Chair.
- >Only one person may speak at a time.
- >Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them.
- >Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
- >Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting.
- >Comments are to be relevant to the purpose of the meeting or issue at hand.
- >Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date.
- >Each person may only speak once during the guest comments period and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.
- >No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.
- >Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order."
- >Anyone who does not come to order shall be requested to immediately leave the meeting.

Owner Input at Board Meetings

After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the Directors, owners, or their designated

representatives, present at such time shall be afforded an opportunity to speak on the motion as follows:

1. The Chair will ask those owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.
2. Following owner input, the Chair will declare owner input closed and there shall be no further owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further owner participation.

Board Executive Session

Executive or closed-door sessions of the Board shall be conducted for the following subjects:

- >Matters pertaining to employees of the Association;
- >Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- >Investigative proceedings concerning possible or actual criminal misconduct;
- >Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- >Review of or discussion relating to any written or oral communication from legal counsel; and
- >Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure.
- >Board Members and other invitees of Executive Session are bound not to disclose information discussed in the Executive or closed-door session to any other person or persons.
- >If action is warranted by the Board, the Board may take that specific action in a form of a motion, in open session, with great care of not disclosing the confidential discussion of the executive discussion.
- >The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

Annual Meetings

All homeowners will get notice of Annual meetings as described in the governing documents for the Association. Homeowners are urged to attend these meetings to protect their interests as Homeowners and the well-being of the Association. Homeowner's comments are encouraged at Annual Meetings and will be allowed on each issue prior to a vote of the membership. The President of the Association, may at their discretion, set a time limit on the individual topics. Association members that wish to have membership business included on the agenda, must submit their items in writing to the Board Secretary 7 days prior to the meeting. If items added require a vote of the membership, a revised agenda will be re-posted within 5 days of the meeting.

Order of Business, unless otherwise provided by the Association Documents the Agenda will be established as follows:

Call the meeting to order

Establish a quorum
Financials review
Committee reports
Old Business
New Business
Announcements
Adjournment

The board, at its discretion, may alter the order of business for any meeting.

Conduct at Annual Meetings

All Owner meetings shall be governed by the following rules of conduct and order:

1. The Chair of the Association or designee shall chair all Annual meetings.
2. All owners and persons who attend a meeting of the Owners will present any proxies and receive ballots as appropriate. (See section below regarding voting).
3. Anyone wishing to speak must first be recognized by the Chair.
4. Only one person may speak at a time.
5. Each person who speaks shall first state his or her name and unit address.
6. Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
7. Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
8. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.
9. Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.
10. All actions and/or decisions will require a first and second motion.
11. Once a vote has been taken, there will be no further discussion regarding that topic. So as to allow for and encourage full discussion by owners, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the Association.
12. Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
13. The Chair may establish such additional rules of order as may be necessary from time to time.

Voting

All votes taken at Annual meetings shall be conducted as follows:

1. There will be one vote per unit address. Each owner entitled to vote pursuant to the Bylaws shall receive a ballot.
2. In the event an owner holds a proxy for another owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the owner shall receive a secret ballot to cast the vote of the owner who provided the proxy. The proxy shall be kept and retained by the Association.

3. Written ballots shall be counted by the Secretary of the HOA and a volunteer who is not a Board member. In the case of an electronic meeting, Secretary shall show the ballot to the camera when counting.

4. The individuals counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

5. Voting at the Annual Meeting may be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot.

Notwithstanding the above, votes shall be taken by secret ballot at the discretion of the Board or upon the request of 20% of the owners who are present at the meeting or represented by proxy.

Annual Meeting Proxies

Proxies may be given by any owner. All proxies shall be reviewed by the Association's Secretary or designee no later than one hour prior to the beginning of the Annual Meeting as to the following:

1. Validity of the signature
2. Signatory's authority to sign for the unit owner
3. Authority of the unit owner to vote
4. Conflicting proxies
5. Expiration of the proxy

7 INSPECTION OF RECORDS POLICY

Owners shall have the right to examine the books and records of the Association at any reasonable time at the office of the Association and/or Secretary and upon reasonable notice. Copies are available at reasonable cost. Most of the governing documents and records are kept on the Associations web page for review.

The following are the sole records available for inspection:

- a. Records of receipts and expenditures affecting the operation and administration of the Association;
- b. Minutes of all meetings of Owners;
- c. Minutes of all meetings of Board members (except records of executive sessions of the Board);
- d. Records of actions taken by any committee of the Board; A list of the names of the Owners in a form that permits preparation of a list of the names and mailing addresses of all Owners, as well as the number of votes of each Owner is entitled to vote;
- e. The Association's governing documents which are comprised of:
 - f. The declaration;
 - g. The bylaws;
 - h. The articles of incorporation;
 - i. Any rules and regulations and/or design guidelines; and
 - j. Any policies adopted by the Board, including the Association's responsible governance policies.
- k. Financial statements for the last three years, which at a minimum shall include the balance sheet, the income/expense statement, and the amount held in reserves for the prior fiscal year;
- l. Tax returns for the last seven years, to the extent available;
- m. The operating budget for the current fiscal year;
- n. A list, by unit type, of the Association's current assessments, including both regular and special assessments;
- o. The result of the Association's most recent available financial audit or review, if any;
- p. A list of the Association's insurance policies, which shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed;
- q. A list of the names, e-mail addresses and mailing addresses of the current board members and officers;
- r. The most recent annual report delivered to the Secretary of State;
- s. Current written contracts and contracts for work performed for the Association within the prior two years;
- t. Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
- u. Ballots, proxies and other records related to voting by owners for one year after the election, vote or action to which they relate;
- v. Resolutions adopted by the Board;
- w. All written communications sent to all owners generally within the past three

- years.
- x. A record showing the date on which the Association's fiscal year begins.

Records not available for inspection

- a. Attorney client privileged documents' and records, unless the Board votes to remove such privilege.
- b. Current or ongoing contract negotiations that are currently being negotiated and that could have a negative impact if disclosed prior to the approval.
- c. Documents that would be confidential under statutory or judicial requirements.
- d. Architectural drawings, plans and designs, unless released upon the written consent of the owner of such drawings, plans or designs;
- e. Records of executive sessions of the Board;
- f. Individual unit files other than those of the requesting owners.
- g. Personnel, salary or medical records relating to Individuals;
- h. Personal identification and account information of owners, including bank account information, driver's license numbers, social security numbers, email addresses and telephone numbers. Notwithstanding the above, if an owner or resident has provided the Association with his or her express written consent to disclose his or her email address or phone number, the Association may publish that information to other owners or residents. If the owner or resident revokes his or her consent in writing, the Association shall cease making available for inspection the owner's or residents' email address or phone number after the receipt of such revocation, but the Association need not change, retrieve or destroy any document or record published by the Association prior to the Association's receipt of such revocation.

Procedure to requests records not available on the website

For records not available on the HOA's website a written request must be submitted to the Board of Directors. A description with reasonable detail of what records are requested must also be stated. Requested documents shall not be used by any owner for commercial purposes.

Contact Info of Property Owners/Renters

This list may not be shared with anyone outside the Association for any purpose.

Inspection/Copying Association Records

An owner is entitled to inspect and copy any of the books and records of the Association, as listed above, subject to the exclusions set forth above, upon submission of a written request to the Association describing with reasonable particularity the records sought. The Association shall provide access to the requested records by making the requested records available for inspection and copying by the owner within 10 days of the Association's receipt of such written request, which inspection shall be during the regular business hours of 8:00 a.m. to 5:00 p.m.

Board's right to examine

During the examination the Association reserves the right to have a Board member observe as the records are reviewed. The Association is under no obligation to create records that do not exist or compile records in any particular order. During the examination no records will be removed, altered, destroyed or marked on. The Association may impose a reasonable charge covering the cost of labor and material for copies of association records.

8 DISPUTE RESOLUTION

All disputes between the Association and homeowners (other than disputes or claims specifically exempted from alternative dispute resolution, including the collection of assessments or other monies owed to the Association) will be addressed and resolved in compliance with these procedures.

Initial Discussion

It is expected that in the event of any dispute the parties will initially conduct good faith negotiations and attempt to resolve the dispute as good neighbors.

Mediation

If the Board believes the disagreement is a result of misunderstanding, miscommunication and/or breakdown in relationships between the parties, it may elect to engage a trained, impartial mediator to facilitate understanding and agreement. The mediator should be acceptable to all parties and the costs of the mediator, if any, will be shared equally between the parties in the dispute.

Arbitration

If the Board, at its discretion, believes mediation would not be effective, it may elect to propose a trained, neutral arbitrator with expertise in the issue to be arbitrated. Arbitration is a more formal proceeding than mediation as the parties to the mediation and/or their attorneys will present evidence, argument and other documents and information under oath in support of their position. The formality of the process can vary, based on the rules of arbitration agreed to by the parties to the arbitration or imposed by the arbitrator. The arbitration substitutes for and is an alternative to litigation in the State courts, and there are only limited rights and circumstances available to obtain review of a binding arbitration decision in the State courts. Typically, the arbitrator will issue a written arbitration decision and award, and if it is necessary to enforce the decision and award through the State courts then the decision and award will be filed with the court and become public record. The arbitrator should be acceptable to all parties and the fees charged by the arbitrator and costs of the arbitration typically will be shared equally between all parties to the dispute. Depending on the outcome of the arbitration however, the arbitrator may have the discretion to award the substantially prevailing party its costs and attorney fees and the non-prevailing party will be required to pay those costs and fees as well.

9 CONFLICT OF INTEREST POLICY

It is the policy of the Association to identify, disclose and mitigate conflicts of interest in the conduct of Association business:

1. Define when a conflict of interest exists;
2. Adopt procedures to follow when a conflict of interest exists, including disclosure rules and when a conflicted board member must recuse themselves from voting;
3. Require a periodic review of conflict of interest policies.

The intent of this Conflict of Interest Policy, is to promote open disclosure of conflicts of interest that would benefit a Director separate from his or her interest as a homeowner.

Circumstances under which a conflict of interest may exist include personal financial interest, or that of a friend or relative, in a business relationship with the Association. This could include gifts, gratuities and kick-backs from suppliers or contractors, exchanging business favors or influencing the Board for the purpose of financial gain or any other benefit to the Director, and is not in the common interest of the Association and homeowners.

Board and committee members must disclose any conflicting interest transaction to the Board in open session at the first open meeting of the Board of Directors at which the interested director or committee member is present prior to any discussion or vote on the matter. Any Board member with a conflict must not participate in the discussion of, nor vote on, the transaction. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

A “conflicting interest transaction” means a contract, transaction, or other financial relationship between the Association and a Board or a committee member, or between the Association and a party related to a Director or committee member, or between the Association and an entity in which a Board or committee member of the Association is a director or officer or has a financial interest.

A “party related to a Board or committee member” means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Board or committee member or a party related to a Board or committee member has a beneficial interest, or an entity in which a party related to a Board or committee member is a director or officer or has a financial interest.

Loans

No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

Enforceability of Conflicting Interest Transaction

No conflicting interest transaction shall be voidable by an owner or on behalf of the Association if:

- a. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Board members, even if less than a quorum, in good faith approves the conflicting interest transaction;
- b. The facts about the conflicting interest transaction are disclosed or the owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the owners entitled to vote on the matter; or
- c. The conflicting interest transaction is fair to the Association.

A Director will not participate in the formation of policy in which a personal or business interest exists, unless such interest is fully disclosed and all of the remaining directors agree that participation in deliberations and voting by the conflicted director is in the interests of the Association.

The Board of Directors will not establish, construct or perpetuate any program or procedure in which a conflict of interest might exist. The Board is to strive to maintain the highest ethical values at all times.

The Board shall review this policy and the procedures contained herein periodically to determine whether any revisions or amendments to this policy are necessary or warranted.

The Association employs a Bookkeeper to perform duties for the Association. The conduct of Association business will require from time to time the use of vendors and independent contractors to facilitate the use, maintenance, repair, replacement, modification and added improvements to the common areas and provision of common services (i.e. trash service, accounting and insurance).

Procurement of goods or services will be documented by written agreement/contract, and will be approved by the Board, which shall consider the work/products proposed, current budget and revenue sources, and the overall interests of the homeowners.

The Board shall approve contracts by vote at Board meetings. Voting and approval of contracts will not be conducted during any closed “executive session” of the Board.

The Board, at its sole discretion, may direct that multiple proposals be obtained to evaluate products and services, prior to voting/approval.

The Board may refer contracts to legal counsel for review, prior to engaging in a contract. Considerations for engaging outside contractors shall include:

- **Qualifications:** to deliver and/or perform the work to specifications, completely and safely, while protecting the assets of the Association.
- **Experience:** verifiable with references, that the contractor will deliver/perform the work and satisfy all representations they have made to the Association.
- **Costs:** that are competitive and reasonable for the scope of products/work as requested by the Association and proposed by the contractor.
- **Licensing and insurance:** are documented by the contractor that they have professional credentials as required by Federal, State or Local regulations for the work, and that they have broad form liability and workers compensation insurance covering any on-site performance by the contractor. Performance bonding will not be required, unless specifically directed by the Board.

Conflicts of Interest

To avoid actual or perceived conflicts of interest, Board members and members of committees must disclose any financial interest, connection or relationship with a proposed contractor prior to any vote or approval of a contract. Similarly, proposing contractors shall disclose any relationship or connection with any homeowner, director or committee member at the time of proposal of work. See also “Conflict of Interest Policy”.

11 INVESTMENT POLICY

Funds not expected to be used for current year operations, and designated reserve funds, may be invested in a commercial financial institution designated by the Board. Investment of funds is to be guided first by safety, then liquidity, then rate of return.

Safety. Protect principal amounts – no risk to principal from market forces. Control access to funds by only those designated by the Board.

Liquidity. Preserve unrestricted access to funds, with no withdrawal penalties or fees, or no notice period for access to funds.

Rate of Return. Best market rate that preserves safety and liquidity.

The officers and members of the Board of Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association.

12 RESERVE STUDY POLICY

A Reserve Study is a structured review of the assets of the Association and an assessment of replacement reserves that may be needed to meet our financial obligations to replace or refurbish assets, beyond maintenance inclusions in the annual budgets.

A structured program of Reserve Study guides a process of responsible management of the Association assets, as well as the following:

- Meets legal requirements for common interest associations to manage assets;
- Provides for replacement funding of major common items;
- Enhances resale values, by documenting planned replacements and planning for expenditures;
- Minimizes the need for special assessments;
- Meets accounting standards that require proper reporting of replacement funding for major assets.

It is the policy of the Association to conduct a Reserve Study yearly. A Reserve Study may be performed internally by the Board, a committee of homeowners appointed by the Board, or an outside contractor engaged by the Board. The Board may also designate and direct the use of outside consultants and/or contractors to provide professional consultations, calculations, engineering, estimates and counsel that may be deemed appropriate to complete a Reserve Study.

A Reserve Study includes:

- Component inventory, listing items included and excluded from the Reserve Study;
- Condition Assessment, with remaining expected life, value estimates and replacement cost estimates;
- Analysis of existing funding status;
- Review of previous Reserve Studies and funding plans;
- Funding recommendation for replacement of major common items;
- Report to Board with conclusions and recommendations.

A component inventory will include assets of the Association, such as improvements to common area real estate parcels, the neighborhood perimeter fence and the entrance walls and signage.

Items to be excluded from consideration are public roadways, utilities, and homeowner lot improvements.

A completed Reserve Study will be reviewed by the Board, to consider report recommendations, funding proposals and appropriate communications to, and approvals of, the homeowners. Each Annual Meeting of homeowners of the Association will include an agenda item to review reserve funding status.

When irrigation systems are activated each Spring, the landscape maintenance company will communicate to the landscape chair which addresses need sprinkler repair or replacement with the costs associated.

Board will communicate to the homeowners that they can opt in to have the landscape maintenance company do the repairs at xxx cost which will be added on to the said homeowner's next assessment invoice.

Announcement to homeowners will be similar to what was distributed in May 2022:

As part of the Spring activation of our irrigation systems, the company is testing our sprinklers to make sure they are in working order and noting those that need repair or replacement and the cost involved. The company will be providing the Board with a list of addresses in the next few days that have sprinklers that need repair or replacement to function properly.

For your convenience, the Board is offering homeowners the opportunity to allow the company to make repairs on the properties that need it. When the Board receives the list of those front yard sprinklers that need repair/replacement, we will notify via email the appropriate owner and you will have the option to approve the company making the repair. If you do NOT want the company to make repairs on your front yard sprinkler system, you will be asked to please respond to the notification email by a specific date. If you do not reply to the notification, the Board will assume you approve of all necessary repairs and the cost of repairs will be added to your next quarterly assessment invoice.