

2014 Annual

ALDASORO RANCH HOMEOWNERS COMPANY

NOTICE OF ANNUAL MEMBERS MEETING

SATURDAY, FEBRUARY 15, 2014

@ 9:00 am

Aldasoro Ranch Barn

2012 Last Dollar Road

Airport Road to Last Dollar Road

First Right on Last Dollar Road is the Barn

It is very important that you read the information in this packet and indicate that you will be present or if you cannot be present who you will have voting your proxy. We need a minimum of 80 votes (a combination of attendees and proxies) to constitute a quorum and without your presence or proxy we cannot conduct a business meeting and move forward on many of the important business items facing the Homeowner's Company. **We need all proxies returned including members that will attend by February 12th' 2014;**

It is important for us to know if you will attend or not so we may set up ballots, seating, food etc. Please mail the signed proxy form in to 307 Society Drive Unit C, Telluride CO. 81435, or fax to 970-728-3426, or e-mail to cslate@aldasororanch.com.

Thank you

Dear Aldasoro Ranch Homeowner's

Welcome to your 2014 Annual packet:

Please note the pages in the right pocket need to be read, signed and returned to Carla at the office. Email cslate@aldasororanch.com, fax 970-728-3426, or mailed back by Feb 12th, 2014 to guarantee your vote.

This year the Annual meeting will take place at the Aldasoro Ranch Barn; 2012 Last dollar Road **at 9:00 am.**

Directions: Airport Road to Last Dollar Road first right on Last Dollar is the Barn entrance, plenty of parking at the barn. In an effort to save paper many items have been copied on the front and back of pages. Please contact us if you have any questions or need directions to the meeting. Food and beverages will be provided.

**Aldasoro Ranch HOC
Board of Directors
Two open seat available**

Open seats and who is running at this time; for seat on the Board of Directors

There are two open seats:

Rebecca Ranta and Warren (Mick) Francis are running as incumbents;

If you would like to run please send us a bio and we will get to the owners.

Floor nominations will be taken at the meeting.

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	2014 Budget
	Ten Year Forecast Summary

Front pocket please return these items to the office with return envelope, fax or email

1. Proxy (we need these back from everyone, including members that plan to attend, by Feb 12th)
2. Contact information sheets (please verify information add or make changes)
3. Some of you will receive weed waiver (green sheet) if you get one in your packet please accept or decline and return.

Phone 970-728-5191

Fax 970-728-3426

Email cslate@aldasororanch.com

AGENDA
Annual Members Meeting 2014
Aldasoro Ranch Homeowner's Company

Date: Saturday, February 15, 2014
Time: 9:00 A.M. to 11:00A.M.
Place: Aldasoro Ranch Barn
2012 Last Dollar Road
Telluride, CO 81435

1. Sign-in
2. Proxy Notification
3. Establish Quorum
4. Set Agenda additions/deletions
5. Review/acceptance of minutes of Members meeting February 09, 2013
6. Announce date for 2015 annual members meeting February 21, 2015
7. Election/appointment of BOD-Via ballot
8. Treasurer's Report
 - 8a. 2013 budget review
9. In Review:
 - 9a. Annual Report
 - 9b. Water Report
 - 9c. Dog policy and where it is with the County
 - 9d. Trails, Thanks (clean-up)
 - 9e. Water Rights Purchased
 - 9f. Road Rules
10. Other Business
11. Results of Board election
12. Adjournment

12:41 PM
 01/15/14
 Cash Basis

Aldasoro Ranch Homeowner's Company
Profit & Loss
 January through December 2013

	Jan - Dec 13
Ordinary Income/Expense	
Income	
4001 Real Estate Transfer Asses	163,830.36
4005 Design Review Board Fees	
4005.1 Design Plan Submission	500.00
Total 4005 Design Review Board Fees	500.00
4007 Monthly Water Fee	23,825.00
4008 Water Overage	19,638.00
4010 HOC Assessment	194,091.73
4020 Sunnyside & Other Payments	
4020.3 PostOffice Bldgs Mtce	203.13
4020.4 Road Sweeping	400.00
4020.5 Snow Plowing	2,615.26
4020.6 Other Revenue	927.63
Total 4020 Sunnyside & Other Payments	4,146.02
4800 Interest income	23.34
4900 Other Income	
4900.1 Other income	1,922.95
Total 4900 Other Income	1,922.95
Total Income	407,977.40
Gross Profit	407,977.40
Expense	
Reconciliation Discrepancies	68.98
5000 Administration	
5001 Payroll	
5001.2 Field Op Supervisor 1	59,328.00
5001.3 Field Operations	40,906.68
5001-10 Office Manager	59,328.00
5001.4 Bonus Payout	1,750.00
5001.5 Payroll Tax	13,569.98
5001.6 Workman's Compensation	4,833.00
5001.7 Other Benefits	7,303.66
5001.8 Health Insurance Benefit	13,287.26
5001.9 Seasonal Employee	16,941.25
5001 Payroll - Other	0.00
Total 5001 Payroll	217,247.83
5002 Consulting Fees	11,677.31
5003 Legal	
5003.1 Water Legal	6,568.98
5003.2 Normal Business	8,976.00
Total 5003 Legal	15,544.98
5004 Accounting	
5004.1 Accounting Fees	12,174.33
Total 5004 Accounting	12,174.33
5005 Bank Charges	
5005.1 Bank fees	211.21
5005.3 Interest Line of Credit	16,258.97
Total 5005 Bank Charges	16,470.18
5006 Computer Expense	
5006.1 Computer Software	2,879.82
5006.3 Printing/Production	1,148.03
Total 5006 Computer Expense	4,027.85

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 Cash Basis

Aldasoro Ranch Homeowner's Company
Profit & Loss
 January through December 2013

	Jan - Dec 13
5007 Meeting Expenses	
5007.1 DRB/BOD Meetings	809.27
5007.2 Annual Meetings	1,208.13
5007.3 Annual Picnic	8,713.33
Total 5007 Meeting Expenses	10,730.73
5008 Top of the Hill HOA Dues	8,280.00
5009 Dues/Fees/Licenses	4,827.65
5010 Property Taxes/Top Hill	8,238.66
5011 Postage Expense	1,431.36
5012 General Office Supplies	3,017.20
5013 Insurance	
5013.1 Liability/Auto	17,216.25
5013.2 D & O Insurance	6,564.00
Total 5013 Insurance	23,780.25
5014 Corporate Taxes	9,000.00
5016 Interest Expense	4,333.60
5017 Utilities	
5017.1 Office Utilities	1,457.12
5017.2 Field Utilities	16,614.53
5017.3 Maintenance Barn Utilitie	593.32
5017.4 Filing 1 Mailbox Buildin	314.75
5017.5 Filing 2 Mailbox Buildin	972.22
Total 5017 Utilities	19,951.94
5019 Lodging/Meals	82.56
5020 Travel/Entertainment	282.08
5021 Education	135.00
5022 Telephone Expense	
5022.1 Local Service	2,995.45
5022.2 Water Service	2,384.53
5022.3 Cell Phone	3,687.54
5022.5 Cable Modem	959.52
Total 5022 Telephone Expense	10,027.04
5025 Misc. Expenses	1,889.76
Total 5000 Administration	383,150.31
6000 Field Expenses	
6001 Signs	955.00
6002 Truck Repair/Maint.	2,000.15
6003 Equipment Repair/Maint.	1,530.08
6004 Gasoline Expense	9,435.34
6005 Property Maint-Land	
6005.1 Filing 1 Prop Maint	3,997.74
6005.2 All Other Prop Maint	8,622.61
6005.31 Trail Maintenance	
6005.32 Forest Health	398.95
Total 6005.31 Trail Maintenance	398.95
Total 6005 Property Maint-Land	13,019.30
6006 Property Maint-Roads	
6006.1 Roads-Filing 1	
6006.14 Shoulder work	747.50
6006.15 Crack Sealing	2,184.77
Total 6006.1 Roads-Filing 1	2,932.27
6006.2 Roads-All other	
6006.25 Crack Sealing	7,314.23
Total 6006.2 Roads-All other	7,314.23
Total 6006 Property Maint-Roads	10,246.50

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Cash Basis

Aldasoro Ranch Homeowner's Company
Profit & Loss
January through December 2013

	Jan - Dec 13
6007 Landscape Maintenance	
6007.1 Landsc-Filing 1 Commo	
6007.11 Irrigation	585.03
6007.12 Landscaping	8,659.50
6007.14 Weed Control F1	2,227.45
Total 6007.1 Landsc-Filing 1 Commo	11,471.98
6007.2 Landsc-All Other	
6007.21 Irrigation	878.82
6007.22 Landscaping	9,550.30
6007.24 Weed Control -Other	7,457.14
Total 6007.2 Landsc-All Other	17,886.26
Total 6007 Landscape Maintenance	29,358.24
6008 Irrigation Ditch Maint.	149.45
6009 Snowplowing Expense	
6009.1 Filing 1 Snowplowing	1,522.50
6009.2 All Other-Snowplowing	2,187.02
Total 6009 Snowplowing Expense	3,709.52
6010 Water Disin/Miox	4,959.79
6011 Water System Expense	15,511.78
6012 Maintenance Expenses	375.03
Total 6000 Field Expenses	91,250.18
Total Expense	474,469.47
Net Ordinary Income	-66,492.07
Other Income/Expense	
Other Income	
7002 Restricted Inv. Interest	15,499.83
7004 Dividend Income Inv Acct.	40,988.00
7006 Capital Gain (Loss)	77,469.03
7010 Non-Dividend Distrubtion	1,101.70
7014 Investment Acct.- Adj	-1,466.90
7020 Gain on Sale Fixed Asset	-8,095.58
Total Other Income	125,496.08
Other Expense	
7050 Capital Expenditures	
7051 Road Paving	
7051.2 All Other Road Repair	388,626.00
Total 7051 Road Paving	388,626.00
7053 Water Delivery System	
7053.4 Water Rights	70,000.00
7053.1 Telemetry	232.67
7053.2 New Instrumentation	17,885.98
7053.3 Other Water Delivery	10,351.82
Total 7053 Water Delivery System	98,470.47
7056 Office	
7056.2 Other Equipment	347.14
7056.3 Office Space	80.72
Total 7056 Office	427.86
7059 Buildings	
7059.2 Maintenance Barn	1,386.85
7059.3 F1 Pump Station	588.00
Total 7059 Buildings	1,974.85
Total 7050 Capital Expenditures	489,499.18

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Aldasoro Ranch Homeowner's Company
Profit & Loss
January through December 2013

	<u>Jan - Dec 13</u>
7070 Investment Expenses	
7071 Capitol Account fees	6,007.57
7072 Non-Deductible - Taxes	-614.45
7073 Non-Deductible- Penalties	56.90
7074 Foreign Tax Paid	504.57
7070 Investment Expenses - Other	2,939.20
Total 7070 Investment Expenses	<u>8,893.79</u>
Total Other Expense	<u>498,392.97</u>
Net Other Income	<u>-372,896.89</u>
Net Income	<u><u>-439,388.96</u></u>

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Cash Basis

Aldasoro Ranch Homeowner's Company
Balance Sheet
As of December 31, 2013

Dec 31, 13

ASSETS

Current Assets

Checking/Savings

Alpine Bank Checking	26,059.27
Fund Account 6581	30,069.01
1014 Wells Fargo Advisors	1,508,186.61
1016 BROOKFIELD K-1	172.00
1030 Escrow Accounts	
1032 FNB Escrow 49196	4,002.73
1033 FNB Escrow 19430	592.15
1036 FNB Escrow 21006	1,521.61
1041 FNB Escrow 28829	1,561.73
1042 FNB Escrow 28936	1,515.48
1043 Tree Escrow 473-950001-7	14,040.19
1044 Tree Escrow 473-093248-8	22,788.02
1045 Tree Escrow 394312513218	60,459.49
1047 Tree Escrow 394312513226	29,349.92
1048 Tree Escrow 394312513275	20,542.49
1049 Tree Escrow 394312513267	19,948.70
1050 Tree Escrow 394312513259	20,542.49
1051 Tree Escrow 394312513242	40,912.09
1052 Tree Escrow 1260005052	16,964.55
1053 Tree Escrow 1260005120	8,569.63
1054 Tree Escrow 1260005054	16,968.82
1055 Tree Escrow 473-950043-9	7,730.91
1056 Tree Escrow 394312513283	18,872.75

Total 1030 Escrow Accounts 306,883.75

Total Checking/Savings 1,871,370.64

Accounts Receivable

1060 A/R Homeowners -9.00

Total Accounts Receivable -9.00

Other Current Assets

1065 Account Receivable - other	1,917.00
1070 A/R Income Tax - 2012	17,434.00
1071 A/R Income Tax 2011	5,578.94

Total Other Current Assets 24,929.94

Total Current Assets 1,896,291.58

Fixed Assets

Buildings & Equipment

2002 Accumulated Depreciation	-269,815.66
2003 Furniture & Equipment	38,118.70
2005 Buildings & Improvements	160,556.80
2006 Water Delivery-Telemetry	20,097.02
2007 Landscaping	48,311.50
2008 Augmentation Pond	25,988.25
2009 Workshop	9,017.12
2010 Road Broom	18,180.85
2011 Road Paving	58,735.98
2012 Water Disinfection System	13,716.89
2014 Office	245,384.00
2015 Office Remodel	108,010.75
2016 Snowplow	16,000.00

Total Buildings & Equipment 492,302.20

Total Fixed Assets 492,302.20

TOTAL ASSETS 2,388,593.78

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Cash Basis

Aldasoro Ranch Homeowner's Company
Balance Sheet
As of December 31, 2013

	<u>Dec 31, 13</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
3002 Escrow Liability	306,648.22
3003 Payroll Liabilities	
3003.1 Accts Payable Fica/FWT	3,678.82
3003.3 Accts Payable-SWT	1,641.00
Total 3003 Payroll Liabilities	<u>5,319.82</u>
Total Other Current Liabilities	<u>311,968.04</u>
Total Current Liabilities	311,968.04
Long Term Liabilities	
3050.1 Long Term LOC Wells Farg	400,812.30
3055 SMVC LIABILITY	85,034.52
Total Long Term Liabilities	<u>485,846.82</u>
Total Liabilities	797,814.86
Equity	
3999 Appropriated Retained Earn	1,331,266.00
4000 Retained Earnings	473,130.16
4000.1 Unrealized gains/losses	225,771.72
Net Income	-439,388.96
Total Equity	<u>1,590,778.92</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,388,593.78</u></u>

MANAGEMENT REPORT FOR 2013

In 2013 we continued with paving: lower Basque Blvd and Josefa Lane. Working with Mike from United we were able to score a deal on using recycled gravel for the shoulders and were able to save about \$50,000.00. We will continue paving this summer.

Summer of 2013 started out very dry and the State Water Engineers continued with the drought restrictions from summer of 2012. When the monsoons came in it helped the Telluride area and we had a nice July, Aug and September with lots of rain to green everything back up. Unfortunate only a small portion of the state received those nice summer showers. The state continues with the drought restrictions and as we get close to spring we will let the owners know if the restrictions will stay in effect. A lot will depend on the amount of snow fall this winter. A big thank you, to all of the owners, for your compliance with the restrictions.

Aldasoro Ranch owns its water system and it was build early at the start of the subdivision development. Last summer Nathan and Moe, working with Gary and a crane, removed the roof from PS1 and replaced the two pumps there. These pumps where over 17 years old. This year the pumps at PS2 will be replaced. The pumps have been ordered and will be put in as soon as they come in. We have been concerned with the age of much of the water system equipment and have been systematically budgeting and replacing old equipment, before it failed. Most of the old equipment, pumps etc. will be rebuilt and be on hand as spares. The Board was able to purchase the Ranch more water rights this year also. Those water rights help to ensure that Aldasoro Ranch's has plenty of water for the future.

2013 was another slow year for RETA, 3 homes sales for \$163,830.00 in RETA revenue. We are hoping for a better outlook in 2014 at the time this packet was being put together early January, we had one home and one lot under contract.

Two existing homes came through Design Review Board for additions to them. Both additions were approved and will begin in the spring of 2014. Another home came through DRB with some window changes and small exterior changes to one corner of the home and the front door entrance, work began late fall and continues. One owner working with the DRB will be doing a test fencing area around a grove of aspens.

The Board of Directors continues working with San Miguel County on possible changes to the PUD for dogs and fencing. After multiple work sessions and completion of the Wildlife assessment it became apparent that before any changes could be decided on, that the County Land Use Code must be changed or updated. The Board of County Commissioners voted to change the Land Use Code to allow dogs in San Miguel County, with the exceptions of existing PUD's. What does this mean for Aldasoro Ranch's? It means that at this time, there are still NO DOGS allowed on the Ranch except ADA dogs as we already have a PUD in place. The Board is working with Tom Kennedy (our Lawyer) and with the county at this time to move forward in the process to get our PUD changes to the BOCC. If the BOCC approves changes to the Aldasoro PUD then you the owners will vote on the changes, this will take a majority vote of 2/3rd of the owners. More information will be provided at the annual meeting.

ARHOC Water Report 2014 *2013 Review, Goals 2014*

To: The Homeowners and Board of Directors
From: Nathan Pierce, ORC, Field Operations Manager
Date: 1/8/2014

- **Water quality** In 2013 we tested for bacteria and viruses, which were not detected; and for nitrate, and nitrite levels, disinfection by-products, synthetic and volatile organic compounds, combined radium, combined uranium, fluoride, inorganic chemical groups, and gross alpha particles; all of which tested well below State Regulatory levels for health and safety. Drought conditions were in effect the entire summer and fall in which every ones cooperation was valuable and effective.
- **Hydrant maintenance & flushing** Filing 1 is scheduled for hydrant flushing and mainline valve maintenance this summer. This process is important in maintaining the proper standards of safety and distribution, as well as maintaining proper taste and odors in the water. Replaced faulty hydrant Aguirre Rd, rebuilding hydrant for replacement on Aldasoro Rd, and repaired hydrant broken by plow.
- **Ditch Maintenance** Maintaining Navike Ditches flows (on either side of Aguirre Road). The Carr and Waddle Ditch, which supplies water to the Lower Pond at Basque entrance, had improvements done, and will continue to be upgraded, eventually getting water around to Remine Drainage for supplementing our use of water in the wells there. Sheep and Adams Ditches are also running, of which we recently purchased more water in, and which will eventually allow us more usage in the domestic water side.
- **Water Rights Finished** up District 4 Water Court applications for access to the water table on San Miguel River, for surface rights to Remine Creek, and a joint application to distribute water to a potential neighboring subdivision allowing us legal access to these water sources in the future. Followed paper trail for private well drilled on Sunnyside. Completed diligence for 04CW067(13CW3018) through the courts. Gained 4.73 cfs of rights in ditch on hillside NW of subdivision Monthly reporting on all water use.
- **Operation** . Maintenance on many operations and faults including chlorine analyzer, MIOX systems, computers, PRV's, pumps, piping, radios, filters, and alarms. Found and repaired many leaks, fittings, parts, electronics, and misc. within the distribution system; replaced parts with stainless steel where possible. Replace PS-1 pumps and couplings after 17 years use. Followed through with suggestions for upgrades from the State.
- **2014** Continued upgrades to system and residential metering; operation of ditches; care and maintenance of entire system for safe and plentiful water supply. Replacing pumps in pump station two, replacing faulty pump in pump station one. Moving forward extending C&W ditch to Remine, upgrading Adams and Sheep ditches. Work with SMVC on their possible PUD.

Routine O & M Responsibilities Daily routines and checks. Routine maintenance and maintenance sheet recording. Respond to alarm call-outs. We are always available for any questions or concerns regarding the water system at (970) 729-1874, or npierce@aldasororanch.com .

PROPERTIES SOLD, 2010, 2011, 2012, and 2013

PROPERTY SOLD 2013	HOME OR LAND	ADDRESS	SALE PRICE	RETA	ACRES
LOT 47	HOME	115 AGUIRRE ROAD	\$4,150,000.	\$93,375.00	3.40
LOT 92	HOME	210 BASQUE BLVD	\$1,950,000.	\$58,500.00	3.11
LOT 160	HOME	120 ALBERT J ROAD	\$531,350.	\$11,955.36	2.2

PROPERTY SOLD 2012	HOME OR LAND	ADDRESS	SALE PRICE	RETA	ACRES
LOT 104	HOME	307 BASQUE BLVD	\$2,400,000.	\$54,000.00	2.15
LOT 137	HOME	100 FRANCISCO WAY	\$3,100,000	\$69,750.00	2.33
LOT 167	LOT	100 MIGUEL ROAD	\$550,000.	** COUNTY	3.16
LOT 81	LOT	100 MIGUEL ROAD	\$610,000.	\$13,725.00	3.37
LOT 14	LOT	107 CRISTELLI LANE	\$750,000.	\$16,875.00	2.76

PROPERTY SOLD 2011	HOME OR LAND	ADDRESS	SALE PRICE	RETA	ACRES
LOT 13	HOME	107 CRISTELLI TRAI;L	\$3,000,000.00	\$67,500.00	2.76
LOT 5	HOME DEED RES	111 ALDASORO BLVD	\$800,000.00	\$18,000.00	3.13
LOT 116,116B,119	HOME & LOT	344/346/349 BASQUE BLVD	\$7,250,000.00	\$163,125.00	7.76
LOT 167	LOT	115 JOSEFA	\$445,000.00	**COUNTY	2.27
LOT 120	LOT	336 BASQUE BLVD	\$950,000.00	\$21,375.00	3.22
LOT 94	LOT	205 BASQUE BLVD	\$1,150,000.00	\$25,875.00	9.010
LOT 166R	LOT	LAST DOLLAR ROAD	\$1,300,000.00	**COUNTY	36.78

PROPERTIES SOLD 2010	HOME LAND	ADDRESS	SALE PRICE	RETA	ACRES
LOT 155	LOT	222 EAST SERAPIO	\$575,000.00	\$12,937.50	1.61
LOT 91R	HOME	101 JOSEFA	\$2,995,000.00	\$67,3878.50	7.05
LOT 18	HOME	201 ALDASORO BLVD	\$2,200,000.00	\$49,500.00	2.92
LOT 19	HOME	204 ALDASORO BLVD	\$2,010,000.00,	\$47,250.00	1.31
LOT 37	HOME	125 JOAQUIN ROAD	\$2,000,000.00	\$45,000.00	3.77
LOT 58	LOT	201 BASQUE BLVD	\$540,000.00	\$12,125.00	5.06
LOT 116,116B,119	HOME & LOT	344,346,349 BASQUE BLVD	\$10,000,000.00	\$225,000.00	7.76

Please note information has been generated from MLS and county records

* Information is deemed to be reliable, but is not guaranteed

** All RETA went to County as part of our negotiated PUD amendment agreement

HOMES FOR SALE IN ALDASORO RANCH START 2014

ADDRESS	ASKING PRICE	SQ FT	ACRES
113 JOQUIN ROAD	\$6,495,000.	4001-5000	2.81
107 AGUIRRE ROAD	\$3,695,000.	7000+	4.6
106 CRISTINAS WAY	\$3,650,000.	6001-7000	2.03 UNDER CONTRACT
107 AGUIRRE ROAD	\$3,749,000.	7000+	4.6
101 CRISTINAS WAY	\$3,395,000.	4001-5000	1
104 PRUDENCIO	\$3,495,000.	6000-7000	5.97
101 ALBERT J ROAD	\$3,195,000.	5001-6000	1.52
106 MIGUEL ROAD	\$3,100,000.	6000-7000	3.08
119 MIGUEL ROAD	\$2,795,000.	5001-6000	3.14
209 ALDASORO BLVD	\$2,475,000.	5001-6000	2.77
217 E SERAPIO DRIVE	\$2,259,000	5001-6000	3.4

LAND FOR SALE IN ALDASORO RANCH START 2014

ADDRESS	ASKING PRICE	ACRES
105 ALBERT J ROAD	\$995,000.	2.61
101 CRISTINAS WAY	\$835,000.	3.07
110 BASQUE BLVD	\$795,000.	1.76
110 MIGUEL ROAD	\$795,000.	3.5
31 CRISTINAS WAY	\$780,000.	4.18
101 PRUDENCIO LANE	\$745,000.	3.21
226 E SERAPIO	\$695,000.	1.28
301 BASQUE BLVD	\$690,000	2.01
108 BASQUE BLVD	\$690,000.	2.01
105 W SERAPIO	\$675,000.	2.77
BASQUE BLVD	\$630,000.	1.8
305 BASQUE BLVD	\$595,000	4.54
ALDASORO BLVD	\$549,000.	2.12
102 ALDASORO BLVD	\$445,000.	2.78 UNDER CONTRACT
116 W SERAPIO DRIVE	\$158,500.	1.34

* Information is deemed to be reliable, but is not guaranteed 2014 MLS

**THE ALDASORO RANCH
ALDASORO RANCH HOMEOWNERS COMPANY
ADMINISTRATIVE RULES, REGULATIONS AND POLICIES**

“ASSOCIATION ROADS”

Effective Date: August 27, 2013

DEFINITIONS

- (a) **“Aldasoro Lot”** means any lot designated for residential use and development that has been platted and included in the Aldasoro Ranch subdivision.
- (b) **“Association Roads”** means any of the private roads located in the Aldasoro Subdivision that are owned, operated and administered by the HOA. Association Roads shall mean and include, without limitation, the right-of-way/easement area associated with the improved surface area of the road, including the shoulder, road base, ditches and the like, gates, fences, signs, markers, landscaping and such other components serving or constituting part of the Association Roads.
- (c) **“Association Governing Documents”** means the following, as may be further amended or supplemented from time to time: General Declaration for the Aldasoro Ranch, recorded on August 5, 1991 in Book 480 at page 817; First Amendment to Declaration recorded on May 15, 1992 in Book 492 at page 152; Second Amendment to Declaration recorded on August 6, 1996 in Book 565 at page 783; Third Amendment to Declaration recorded November 13, 2003 at Reception No. 361929, as re-recorded February 9, 2005 at Reception No.372380; Fourth Amendment to Declaration recorded February 22, 2005 at Reception no.372729; First Supplement to Declaration recorded on April 9, 1992 in Book 490 at page 413; Second Supplement to Declaration recorded on May 15, 1992 in Book 492 at page 149; Third Supplement to Declaration recorded on January 29, 1993 in Book 505 at page 322; and Fourth Supplement to Declaration recorded on April 25, 1995 in Book 545 at page 70 (collectively referred to as the **“General Declaration”**); Final Plat for Aldasoro Ranch Filing No. 1, recorded on August 5, 1991 in Plat Book 1 at page 1153; Final Plat for Aldasoro Ranch Filing No. 2, recorded on January 29, 1993 in Plat Book 1 at page 1406; and Final Plat for Aldasoro Ranch Filing No. 3, recorded on April 25, 1995 in Plat Book 1 at page 1830 (collectively referred to as the **“Plats”**), the Articles of Incorporation and Bylaws for the HOC and such other rules, regulations and policies adopted from time to time.
- (d) **“Authorized User”** means the following persons: (i) an Owner of Property duly included in the Association; (ii) a Guest, provided that use of the Association Roads necessary for the sole and exclusive purpose of gaining access to and from the Owner’s Property to whom the person is a guest; (iii) a person or party to whom usage rights was expressly granted by written agreement or instrument executed by the HOC, provided that such usage is limited to the particular Association Roads for which the rights were granted and the usage is restricted as provided for in the usage agreement and these Rules; and (iv) such other persons or entities as authorized by the Board for the purpose of advancing or undertaking Association business or affairs.
- (e) **“Guest”** means a person or persons who are present in the Aldasoro Ranch subdivision at the specific invitation of an Owner or Tenant to gain access to and from the Owner’s property.
- (f) **“HOC”** means the Aldasoro Ranch Homeowners Company.
- (g) **“Owner”** means a person or persons who are the current fee simple owner of an Aldasoro Lot. Family members related to an Owner are deemed to be an “Owner” for purposes of this Policy.
- (h) **“Tenant”** means a person or persons duly authorized to lease a residence from an Owner that has been constructed on an Aldasoro Lot. Family members related to a Tenant are deemed to be a “Tenant” for purposes of this Policy.

RECITALS

- A. The HOC owns, operates, manages and administers Association Roads
- B. The HOC wishes to promulgate rules and regulations related to the usage of the Association Roads to create uniformity and certainty.

ADOPTED RULES AND REGULATIONS

Pursuant to the authority provided for in the Association Governing Documents, the Board does hereby adopt and promulgate the within Rules.

1. **Designation of Association Road(s) and Facilities.** All Association Roads shall be governed by these Rules. Capitalized terms as used herein shall be given the meaning ascribed to the term in the Association Governing Documents, unless otherwise stated or defined in these Rules.

2. **Board of Directors.** The Board is authorized and directed to monitor and enforce compliance with these Rules. These Rules may be amended only by vote of two-thirds of the Board Members of the Board of Directors, following notice and a reasonable opportunity to comment by all Association Members, at any meeting duly called for such purpose. No vote of the Association Members is required to effect an amendment to the Rules. The Board shall promptly publish any amendments or modifications to these Rules to the Association Members.

3. **Persons Authorized to Use of The Association Roads.** The Association Roads shall be used only by an Authorized User, subject to these Rules.

4. **Restrictions Concerning the Use of Association Roads.** The use of an Association Road by any Authorized User is subject to the following requirements:

4.1. The Association Roads shall be used only for the purposes for which they were designed and constructed.

4.2. Only motorized vehicles designated for and allowed for use on paved public highways may be used on the Association Roads. Unlicensed OMVS, Snowmobiles, ATV's, dirt bikes and other similar recreational motor vehicles shall not be allowed on the Association Roads. Exception for licensed ATV's used in a responsible way for maintenance. Abuse of this exception is at the Boards digression.

4.3. The Association Roads shall not be used in a manner that would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body.

4.4. The Association Roads shall not be used in a manner that would cause damage to, or waste to the Association Roads.

4.5. The Association Roads shall not be used in a manner that would be imprudent or unsafe.

4.6. The Association Roads shall not be used in a manner that would result in the cancellation of the insurance as maintained by the Association, without the prior written approval of the Association.

4.7. The Association Roads shall not be used in a manner that would result in any damage to any other Owner's person or property.

4.8. No Authorized User may exceed the maximum speed limit on all Association Roads, which is currently 25 M.P.H. or such lesser speed as is reasonably prudent under the circumstances.

4.9. No parking of any vehicles by any Authorized Person is allowed on any Association Roads without the prior written approval of the Board, which may be granted or refused in the sole discretion of the Board.

4.10. No work to the Association Roads, including, without limitation, digging, trenching, cutting, paving, drilling, excavation or other disturbance whatsoever may occur without the prior written approval of the Board, which may be granted or refused in the sole discretion of the Board.

4.11. With respect to an Association Road and/or any area of an easement or right-of-way associated with an Association Road, an Owner may not: (a) place, erect or construct any signs, markers or other displays or any other type, kind or purpose (not otherwise allowed by these Rules); (b) place, erect or construct any other structure or improvement; or (c) remove any portion of the Association Roads.

4.12. Bicycles may be used along the right side of the paved Association Roads, provided that the rider is using the Association Roads in a safe and careful manner, at a safe and reasonable speed and stays within the areas authorized for bicycle riding.

4.13. No other non-motorized vehicles, including, without limitation, skateboards, roll skates, roller blades, roller skis, sleds or skis are allowed to be used on Association Roads.

5. **Damage to Association Roads.** Any Owner or their Authorized User or other designee whose use of any Association Roads damages or causes unusual wear and tear to any Association Roads shall be obligated to reimburse the Association for costs and expenses it incurs in fixing any such damage or wear and tear. The Board shall assess the cost and expense so incurred against the Owner of the Property that caused the damage or wear and tear. Reimbursements for costs and expenses shall be assessed and collected in the manner provided for in the Articles.

6. **Variations and Waivers.** The Board, in its sole and reasonable discretion, may grant such temporary or permanent waivers or variations from these Rules as the Board deems necessary and appropriate.

7. **Fines and Penalties.**

7.1. **Board to Enforce Compliance.** The Board is authorized and empowered to obtain a reimbursement from an Owner deemed to have damaged for any costs incurred by the Association in curing a violation of these Rules, including any damage to the Association Property.

7.2. **Imposition of Fines and Penalties.** The Board may also impose reasonable fines and penalties, not to exceed the sum of \$100 per occurrence per day, which fines and penalties may be assessed against an Authorized User who is found to be in violation of these Rules. The fine shall continue for each day that the Owner shall continue to be in violation, following the expiration of the cure period stated in the notice (described below). All fines and reimbursements assessments shall be due and payable immediately upon notice of such fine or assessment and the expiration of the cure period and, if a hearing is requested for the violation, the fine. If any fine assessment is not paid within ten days after the due date, a late charge in the amount of \$100 shall be assessed to compensate the Association for the expenses, costs and fees involved in handling such delinquency. Owners shall be personally, jointly, and severally liable for all fines/penalty assessments. In the event an Authorized User is not an Owner of Property, the Owner of Property who authorized the Authorized User to use the Association Road and Facilities shall be responsible for the fines, penalties and other costs

imposed by the Board. Fines and penalties shall be assessed and collected in the manner provided for in the Articles.

7.3. **Notice of Violation.** The Board shall notify an Owner of the Board's determination of a violation ("**Notice of Violation**") under the Rules or the provision of the Declaration, Map or Bylaws to the applicable Owner as soon as reasonably practicable following discovery. The Board may also, at its option, provide a copy of such notice to any non-owner violator. The Notice of Violation shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the governing legal documents. The fine assessment is due and payable immediately upon receipt of Notice of Violation, unless a hearing is requested, in which case the payment of the fine will be delayed pending the outcome of the hearing.

7.4. **Request for Hearing.** In the event any Owner desires to challenge or contest any alleged violation and possible fine stated in the Notice of Violation, said Owner must, within fourteen days from receipt of the Notice of Violation, request such hearing by notifying the Association, in writing, of such hearing request. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is requested within the aforementioned 14 day period, the Board shall convene a hearing as provided for below. In requesting a hearing before the Association, an Owner shall state and describe the grounds and basis for challenging or denying the alleged violation as well as such other information the Owner deems pertinent.

7.5. **Board to Conduct Hearing.** If a hearing is timely requested by an Owner, the Board shall hear and decide cases set for hearing pursuant to these Rules. The Board shall send a notice of hearing ("**Notice of Hearing**") to the Owner indicating the time, place and location of the hearing. The Board may appoint an officer or other Owner to act as the presiding officer (the "**Presiding Officer**") at any of the hearings.

7.6. **Conflicts.** It shall be incumbent upon each Board member to make a determination as to whether he/she is able to function in a disinterested and objective manner in consideration of each hearing before the Board. Any Board member incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and said Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer shall appoint an Association member, in good standing, to serve as a voting member of the hearing board.

7.7. **Hearing.** Each hearing shall be held at the scheduled time, place and date stated in the Notice of Hearing, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Notice of Hearing. The general procedure for hearing shall consist of opening statements by each party; presentation of testimony and evidence, including cross-examination of witnesses by each party; and closing statements by each party. Notwithstanding the foregoing, the Board may exercise its discretion as to the specific manner in which a hearing shall be conducted and shall be authorized to question witnesses, review evidence and take other such reasonable action during the course of a hearing of which it may deem appropriate or desirable to permit the Board to reach a just decision in the case. Neither the complaining parties, nor the Owner, must be in attendance at the hearing in order for the hearing to proceed. However, the decision of the Board at each hearing shall be based on the matters set forth in the Notice of Violation, request for hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors, all hearings shall be open to attendance by all members of the Association. The Board and the Owner may participate by phone. The hearing shall be open to all Owners in the Community.

7.8. **Decision.** After all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its written decision thereon within twenty days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the Board. The Board shall issue written findings of fact and conclusions, and, if applicable, shall impose a reasonable fine as provided in the Association's Rules and assess costs, expenses and fees, including attorney fees incurred by the Association in conducting the hearing and issuing the fines. The Board may also issue and present for recording with the Clerk and Recorder of San Miguel County, Colorado, a Notice of Finding of Violation. Upon satisfactory compliance with the Association's governing documents, the Notice of Violations may be released by the Association issuing and recording a Release of Notice of Findings of Violations.

7.9. **Enforcement.** The Association may commence an action at law, or in equity, or both, against any Owner personally obligated to pay the fine and assessment for recovery of said fine and assessment plus late charges. The prevailing party shall recover its reasonable attorneys' fees and associated costs and expenses incurred in connection with such legal proceedings.

8. **Miscellaneous.**

8.1. **Resolution of Conflicts.** In the event of a specific conflict between the Articles and the Rules, the Rules shall prevail.

8.2. **No Waiver.** Failure by the Association, the Board or any person to enforce any provision of these Rules shall in no event be deemed to be a waiver of the right to do so thereafter.

8.3. **Severance.** The provisions of these Rules shall be deemed to be independent and several, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect.

APPROVAL AND EXECUTION

The foregoing Rules are hereby adopted by the Association as of the Effective Date.

Aldasoro Ranch Homeowners Company,
A Colorado nonprofit corporation

By: Rebecca Rinta

Date: AUGUST 27, 2013

Printed Name: REBECCA RINTA

Title: TREASURER

Budget Notes

Reading the budget sample:

Row 88A 6006 Property Maintenance-Roads this is a total of all the 6006 categories

Row 89B 6006 Filing 1 Common this is a total of 90C to 96C

Rows 90C to 96C show the breakdown of expenses for the Filing one Common Road repair.

This year's budget expenses are very straight forward and expenses are based on 2013's expenses or bids that were received for work that will need done out of house. As for the past couple of years we have held expenses as low as possible and try to save were ever possible. Some items have been in the budget for 3 or 4 years as they could wait to be done and we did not have the extra income to do them. Major expenses this year are road paving and water system upgrades and replacements. Pumps in PS2 will be replaced due to age. Other items in the water maintenance are pumps being pulled and having maintenance done, replacing old worn meters and replacing some electronics and radio equipment. All of this keeps the water system running and up to legal standards.

The Board of Directors reviews the budget yearly and discusses expenses and income. As explained in last year's budget review to avoid large increases to the assessments the ten year budget has been set to increase assessments a hundred dollars per year. In the past the ten year budget was set up with three and four thousand dollar increases, with careful budgeting and good works on spending, these large increases were not necessary. In the past increases to the assessments were done in \$500.00 increments. Having small increases is not as hard to some members as having a large increase all at once. Aldasoro Ranch has some of the lowest assessments of other HOA's and continues to have one of the best financial standings.

If you have any questions on the budget please call Carla anytime at 970-729-2355.

Cell: J10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: K10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: L10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: M10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: N10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: O10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: P10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: Q10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: R10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: S10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: T10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: U10

Comment: Carla Slate:
based on number of taps and additions for year

Cell: J11

Comment: Carla Slate:
Based on year before actuals

Cell: J16

Comment: Carla Slate:
based on budgeted expenses for 2011, 33% = total 9,100. irrig, lands, elect,weeds etc

Cell: J18

Comment: Carla Slate:
based on shared road 50% at 165 and 50 hours in S/S at 165.00

Cell: J19

Comment: Carla Slate:

sell plow truck

Cell: O19

Comment: Carla Slate:
ditch % on maintenance work

Cell: P19

Comment: Ditch piping

Cell: Q19

Comment: Ditsch piping

Cell: J28

Comment: based on year B4 actuals

Cell: J29

Comment: tax % based on wages

Cell: K29

Comment: tax % based on wages

Cell: L29

Comment: tax % based on wages

Cell: J34

Comment: based on year B4 actuals

Cell: J35

Comment: Carla Slate:
Based on year B4 actual

Cell: K35

Comment: Carla Slate:
Based on year B4 actual

Cell: L35

Comment: Carla Slate:
Based on year B4 actual

Cell: M35

Comment: Carla Slate:
Based on year B4 actual

Cell: N35

Comment: Carla Slate:
Based on year B4 actual

Cell: O35

Comment: Carla Slate:
Based on year B4 actual

Cell: P35

Comment: Carla Slate:
Based on year B4 actual

Cell: Q35

Comment: Carla Slate:
Based on year B4 actual

Cell: R35

Comment: Carla Slate:
Based on year B4 actual

Cell: S35

Comment: Carla Slate:
Based on year B4 actual

Cell: T35

Comment: Carla Slate:
Based on year B4 actual

Cell: U35

Comment: Carla Slate:
Based on year B4 actual

Cell: J44

Comment: Carla Slate:
New water billing soft ware

Cell: K44

Comment: Update software and firewalls/updates as needed

Cell: J46

Comment:
map copies, Annual meeting, newsletter, etc.

Cell: S52

Comment: Tagges for snowplow

Cell: M53

Comment: Based on actuals

Cell: J55

Comment: Lowered from 2012

Cell: Q55

Comment: office supplies and uniforms

Cell: J75

Comment: Carla Slate: Welcome Baskets, intro items

Cell: J78

Comment: Preferred User:
general truck maintenance

Cell: J80

Comment:
based on actuals year before and estimate on plow truck useage

Cell: J82

Comment: Bruin waste, cleaning and needed suplies , paint fencing stain etc

Cell: P82

Comment: Carla Slate:
Spring cleanup

Cell: R82

Comment: new garland

Cell: S82

Comment: decoration and property maintenance

Cell: J83

Comment: Bruin waste, cleaning and needed suplies , paint fencing stain etc

Cell: P83

Comment: Carla Slate:
spring cleanup

Cell: R83

Comment: new garland

Cell: S83

Comment: decorations

Cell: N95

Comment: Delineators

Cell: S107

Comment: Carla Slate:
end of year blow out

Cell: M112

Comment: piping new ditch

Cell: S112

Comment: Carla Slate:
fall blow out

Cell: O117

Comment: Fish and food pond and ditch maintenance

Cell: Q117

Comment: equipment rental, Headgate

Cell: R117

Comment: Carla Slate:
Flumes

Cell: J118

Comment: Carla Slate:
based on acual adv.

Cell: K118

Comment: Carla Slate:
based on acual adv.

Cell: L118

Comment: Carla Slate:
based on acual adv.

Cell: M118

Comment: Carla Slate:
based on acual adv.

Cell: N118

Comment: Carla Slate:
based on acual adv.

Cell: O118

Comment: Carla Slate:
based on actual adv.

Cell: P118

Comment: Carla Slate:
based on actual adv.

Cell: Q118

Comment: Carla Slate:
based on actual adv.

Cell: R118

Comment: Carla Slate:
based on actual adv.

Cell: S118

Comment: Carla Slate:
based on actual adv.

Cell: T118

Comment: Carla Slate:
based on actual adv.

Cell: U118

Comment: Carla Slate:
based on actual adv.

Cell: R122

Comment: piping , water resting , fall maint.

Cell: P135

Comment: mix & or scada system replacement
and repairs as needed

Cell: J139

Comment: new pumps ps2

Cell: O164

Comment: trailers

Cell: I174

Comment: Clifford G. Gilbert:
Per the HOC By-Laws, the interest earned on the Dain Rauscher account is not included in the calculations to determine RETA.