

ELDORADO COMMUNITY IMPROVEMENT ASSOCIATION, INC.

BOARD POLICY NUMBER: 19 -2.27.02

TITLE: Revised Stable Amenity Funding Guidelines

EFFECTIVE DATE OF POLICY: March 1, 2019

WHEREAS, in accordance with Article V, Section 2 of the Declaration of Covenants, the assessment levied and collected by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents and owners in the Properties and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties; and

WHEREAS, there is a need to adopt a fair and consistent Board policy which clearly defines how and why Association funds will be spent for the betterment of the community and Barn Owners (also referred to as Stable Users); and

WHEREAS, the policy regarding Stable Amenity Funding adopted in 2017 was found to be difficult to implement and confusing, therefore, the Board wishes to simplify the policy and provide more flexibility,

WHEREAS, the Board finds that reimbursable barn expenses for manure removal and fly predator program benefit the properties of all Barn Owners, regardless of whether or not they currently have equines in their barns at the time those expenses come due, and finds that maximizing the use of the Stable Amenity is in the best interest of the ECIA, so that Barn Owners are encouraged to have equines in their barns,

AND WHEREAS it is the intent that this policy shall be applicable to all Board decisions regarding Stable Amenity expenditures and shall affect all Barn Owners at the Eldorado Stables;

NOW, THEREFORE, BE IT RESOLVED as follows:

A. ECIA Financial Responsibility for Stable Common Area Expenses. As provided in more detail in the Eldorado Stable Committee Charter and the Eldorado Stable Amenity Rules (the "Stable Rules"), the ECIA shall be responsible for maintaining all common areas at the Stable Amenity, including providing ongoing maintenance, emergency and periodic repairs, replacement and capital improvements. For example, these expenses may include repairing riding

arenas, repairing and maintaining roads, gates, water lines and common area electricity, mowing weeds in common areas, etc.

B. Barn Owner Financial Responsibilities.

- 1) **Direct Costs and Services.** Barn Owners shall be solely responsible for paying directly all costs associated with the construction, maintenance or repair or operational expenses directly related to a Barn Owner's individual property, which includes barns, corrals and the area inside of corrals. Barn Owners shall carry insurance as required by the ECIA at their sole expense. Barn Owners are required to feed, muck and otherwise care for their equines at their sole expense, and provide health care and certificates to the ECIA at their sole expense when required.
- 2) **Reimbursable Barn Expenses** are defined as follows: Barn Owners shall be responsible for reimbursing the ECIA for all expenses incurred in providing services to their property, specifically, property taxes, water as metered, manure removal and the fly predator program. Finally, in some limited circumstances as described in more detail in the Stable Rules, the ECIA may incur costs for emergency or safety work done to a barn, or suffer damages caused by a Barn Owner's property; or Barn Owners may be fined or charged for the costs of enforcement or collection; any and all such costs are reimbursable to the ECIA as and when billed.
- 3) **Manure Removal and Fly Predator Program.** Barn Owners must muck their paddocks at least as frequently as required in the Stable Rules, and must deposit manure in the locations or receptacles as designated by the Board. ECIA will arrange for removal of manure from these locations, however, Barn Owners shall reimburse the ECIA for the cost of that service. The Eldorado Stable Committee will manage a fly predator program for the benefit of the Stables. The ECIA will pay the cost of the subscription to such a program, however, Barn Owners shall reimburse the ECIA for the cost of the fly predator program subscription.

C. Budget, Billing, Division of Reimbursable Expenses. Effective January 1, 2019, the ECIA shall implement the following new budgeting and billing procedure for collection of the Reimbursable Barn Expenses:

- 1) **Budget.** The annual budget for all Reimbursable Barn Expenses shall be developed for the upcoming year by the General Manager in consultation with the Eldorado Stable Committee, and shall be approved by the Board.

Based on this budget, Barn Owners shall be charged for their share of Reimbursable Barn Expenses as described below; for their individual water usage as metered; and for their share of the property taxes on the barns (but not property tax on the Stable common areas, if any); and for any other expenses relating to their individual property.


- 2) **Payments, Billing.** Reimbursable Barn Expenses shall be payable by Barn Owners as billed, which shall occur at least twice per year, but not more frequently than monthly. Bills which are not paid by the due date are considered delinquent. Barn owners whose bills are delinquent may be subject to any collection remedies available based on the Eldorado Covenants, Bylaws, Rules, Policies and New Mexico state law, and they may lose the privilege to use Stable Common Areas and be subject to any other remedies set forth in the Stable Rules. See Stable Expenses Collection Policy for details about the collection process.
- 3) **Division of Expenses Between Barns.** Reimbursable Barn Expenses which are not assignable to an individual barn (such as metered water usage, or repair of a water meter) shall be divided between Barn Owners as follows:
 - a. The annual County property tax bill for the barns shall be divided by 36 barns, and each Barn Owner shall be billed for their 1/36th share.
 - b. Manure and Fly Predator Program expenses shall be divided based on the number of equines in the Stables, and each Barn Owner shall be billed based on the number of equines on record with the ECIA at the time bills are issued.
 - c. To Encourage Full Use of the Stables via Barn Sales and Sharing, any barn which is vacant after a six month grace period shall be billed as if there is one equine in the vacant barn. The Board finds this division of expenses to be fair due to the fact that barns are intended to have equines, and due to the fact that all Barn Owners benefit from having a fly predator program in place. All barns which are vacant on March 1, 2019 shall have until September 1, 2019 to add an equine or be counted as vacant for the purpose of this section.
 - d. Formula: The ECIA shall calculate the amount owed by each Barn Owner for fly predator program costs according to the following formula: divide the cost of fly predator program by the implied number of equines,

then bill Barn Owners based on multiplying one share of the costs by the number of equines in that barn, OR, the Barn Owners of each vacant barn shall be billed for one share. For example, assume there are 50 equines on record in the Stables and 2 vacant barns, and the cost of the fly predator program for one billing period is \$100.

#of equines on record 50
of vacant barns + 2
Implied # of Equines = 52
Costs divided by Implied # of Equines:
\$100/52 = \$1.92/equine or /vacant barn

- d. The Number of Equines on Record shall be kept by the ECIA office, however, each Barn Owner has the responsibility of keeping the ECIA office informed and updated about the equines in their barn at all times. Bills will be based on the number of equines on record present in the barns at the time the bills are generated. Barn Owners should advise the ECIA office if the number of equines on record differs from the numbers in their Barn, however, the ECIA need not retroactively adjust a bill based on numbers of equines unless the ECIA failed to update its records and was notified of the change in number of equines at least one month prior to the bill in question.

All terms in this policy shall have the same meaning as defined in the Eldorado Stable Committee Charter and the Stable Committee Rules, unless otherwise defined. This policy supersedes Board Policy Number 17-10-01, was adopted by the Board on February 27, 2019, and shall be effective on March 1, 2019.

Adopted:
ECIA President:  Date: 2/27/19
ECIA Secretary: _____ Date: _____