Memo to Miller Ranch Single Family and Duplex Owners

After considering all owner input that was received regarding the proposed repainting rule, the Board of Directors made the decision to change the proposed rule from a five year repainting requirement to a seven year repainting requirement. Please note, however, that the new rule is simply a tool to use if and when a homeowner refuses to properly maintain their home by repainting on a reasonable schedule. The Association has no intent to require every homeowner to repaint their home every seven years regardless of whether it appears to need it or not. The rule will only be used in cases where it's needed in order to get a homeowner whose home is obviously in need of repainting, to do that. If the paint on a home still looks good, regardless of when it was last painted, that homeowner will not be required to repaint unless and until it's obvious that it's needed.

Additionally, several owners thought that there was previously a repainting rule in place which had never been enforced. That is not the case. There has never been a rule in place that required repainting on any type of time schedule. It's my understanding that all owners were advised by the Valley Home Store, when they purchased their properties, that they should repaint every seven or eight years, but that had nothing to do with the homeowners association. None of the governing documents of the Association contain any rule that requires repainting on any kind of time schedule. Several of the past Boards of Directors discussed implementation of a rule requiring repainting every seven or eight years, but that was about the time that the recession hit and those Boards felt that it was unreasonable to require homeowners to repaint during that period of time, when many owners were struggling to keep up with their mortgages and were also behind on their dues. That being the case, no repainting rule was ever approved and implemented. Now that the recession years are past and most owners are back on their feet financially, the current Board feels that it's time to finally implement a repainting rule.

A copy of the new rule, signed by the Board Members, is attached.

Best regards, Steve Stafford Community Manager

AMENDMENT TO THE INITIAL RULES AND REGULATIONS

MILLER RANCH PROPERTY OWNERS' ASSOCIATION

This Amendment to the Initial Rules and Regulations of the Miller Ranch Property Owners' Association ("Rules and Regulations") is made on the date set forth below by the Miller Ranch Property Owners' Association (the "Association").

RECITALS

The Initial Rules and Regulations of the Miller Ranch Property Owners' Association ("Rules and Regulations") dated October 28, 2003 were adopted by the Executive Board.

- A. Article 4.12.2 of the Bylaws of Miller Ranch Property Owner's Association ("Bylaws") provides that the Executive Board may adopt and amend rules and regulations regarding the use and operation of the Miller Ranch Project.
- B. The Executive Board desires to amend the Initial Rules and Regulations of the Miller Ranch Property Owners' Association ("Rules and Regulations").
- C. Pursuant to Article 4.9 of the Bylaws this amendment has been consented to by a majority of the Executive Board, at which a quorum was present.

NOW, THEREFORE, the :

1. The Initial Rules and Regulations of the Miller Ranch Property Owners' Association are amended to include the following:

X. Exterior Maintenance. All Owners must repaint the exterior of their duplex or single-family home at least every seven (7) years in order to comply with the Master Declaration for Miller Ranch ("Declaration") sections 4.1 and 4.6. In the event an Owner can demonstrate to the Executive Board that the exterior paint condition is such that it does not need repainting every seven (7) years then the Executive Board, in its sole discretion, may extend the required painting by one year, and any additional extensions to be reviewed each year thereafter. The decision to extend the seven-year painting requirement will be made on a case-by-case basis and the Executive Board and/or its Management Agent will take into consideration paint peeling, chipping and fading at a Unit. The Association and/or its Managing Agent will perform periodic inspections of all duplex and single-family homes in the Project to determine which Units need repainting.

The Association's Managing Agent will give notice to any Owner whose Unit needs repainting pursuant to this Rule. If exterior painting was completed less than seven (7) years

prior to the notice the Owner must supply to the Association with proof of such painting. (such as proof of payment for supplies and/or painting services).

If an Owner receives notice to repaint and their painting was more than seven (7) years prior to the date of the notice, then the Owner shall have Forty-Five (45) days from the date of the repainting notice to provide proof to the Association's Managing Agent that they have begun the repainting process (such as a signed painting contract, or proof that painting has begun). The Owner must proceed with the repainting in a diligent and timely manner, however, weather and seasonal constraints will be taken into consideration.

Following the notice to repaint, if an Owner does not proceed with repainting the Unit in a diligent and timely manner, the Association shall have the right to assess fines for such non-compliance as follows:

- 1. \$500 fine for non-compliance with repainting 45 days after notice;
- 2. \$1,000 fine for non-compliance with repainting 90 days after notice;
- 3. \$2,000 fine for non-compliance with repainting 135 days after notice;

In addition, pursuant to Section 4.7 of the Declaration, if an Owner fails to maintain their Unit the Association may undertake such exterior painting and hold the Owner responsible for all costs associated with same. The Association may use any other legal remedies, including its right to lien, in order to enforce its covenants and these rules.

IN WITNESS WHEREOF, the undersigned have executed this Amendment to the Initial Rules and Regulations of the Miller Ranch Property Owners' Association this 17th day of October, 2018.

EXECUTIVE BOARD