

*Alpine Shadows Townhomes*

**Keeping your Community Safe**

**Rules to Live By**

December 2009

**Keeping Your Community Safe – Rules to Live By  
Table of Contents**

<b>Section 1.0 Investment of Reserve Policy.....</b>	<b>4</b>
<b>Section 2.0 Enforcement Policy &amp; Procedures and Fine Schedules.....</b>	<b>4</b>
<b>2.1 Advertising/signs .....</b>	<b>4</b>
<b>2.2 Antennae.....</b>	<b>4</b>
<b>2.3 Architectural Control.....</b>	<b>4</b>
<b>2.3.1 Exterior Additions/Alterations</b>	
<b>2.3.2 Examples of Modifications</b>	
<b>2.3.3 Flags</b>	
<b>2.3.4 Basketball Hoops</b>	
<b>2.3.5 Clean and Sanitary</b>	
<b>2.3.6 Garage Doors</b>	
<b>2.3.7 Hazardous Activities</b>	
<b>2.4 Parking/tow-Aways .....</b>	<b>5</b>
<b>2.4.1 Disabled Vehicle</b>	
<b>2.4.2 Immobile/improperly registered/abandoned Vehicle</b>	
<b>2.4.3 Visitor Parking</b>	
<b>2.4.4 Exceptions to parking restrictions</b>	
<b>2.4.5 Vacation parking</b>	
<b>2.4.6 Fire lane</b>	
<b>2.4.7 Illegal parking</b>	
<b>2.4.8 Costs of towing</b>	
<b>2.4.9 Commercial vehicles</b>	
<b>2.4.10 Repair of vehicles</b>	
<b>2.4.11 Emergency vehicles</b>	
<b>2.5 Pets/Animals .....</b>	<b>6</b>
<b>2.6 Renters/Leases.....</b>	<b>6</b>
<b>2.6.1 Rental of entire unit</b>	
<b>2.6.2 Leases in writing</b>	
<b>2.6.3 Terms of lease</b>	
<b>2.6.4 Time-sharing</b>	
<b>2.6.5 Number of tenants</b>	
<b>2.6.7 Short-term leases/short term leases</b>	
<b>2.7 Residential Use.....</b>	<b>6</b>
<b>2.8 Storage of Articles.....</b>	<b>7</b>
<b>2.9 Temporary Structures.....</b>	<b>7</b>
<b>2.10 Trash/Fire Hazard.....</b>	<b>7</b>
<b>2.11 Unlawful Use.....</b>	<b>7</b>
<b>2.12 Violations and Fines.....</b>	<b>7</b>
<b>2.12.1 Complaints</b>	
<b>2.12.2 Warnings</b>	
<b>2.12.3 Hearings</b>	
<b>2.12.4 Extent of Violations</b>	
<b>2.12.5 Parties to Violations</b>	

**2.12.6 Parties to Violations**  
**2.12.7 Fines and Sanctions**

<b>Section 3.0 HOA versus Owner Responsibility .....</b>	<b>8</b>
<b>Section 4.0 Association’s Policy and Practices for Assessment Collection.....</b>	<b>10</b>
<b>4.1 Monthly Assessments are due on the 1<sup>st</sup> of the month</b>	
<b>4.2 Special Assessments</b>	
<b>4.3 Charge for notices</b>	
<b>4.4 Application of payments</b>	
<b>4.5 Return check fee</b>	
<b>4.6 Past due notices and costs</b>	
<b>4.7 Release of Lien</b>	
<b>Section 5.0 Conflicts of Interest.....</b>	<b>11</b>
<b>Section 6.0 Conduct of Meetings.....</b>	<b>11</b>
<b>Section 7.0 Records .....</b>	<b>12</b>
<b>7.1 Right to Examine Records</b>	
<b>7.2 Requests to inspect records</b>	
<b>7.3 Information unavailable to general membership</b>	
<b>7.4 Disclosure</b>	
<b>7.5 Process for Requesting Examination or Copies</b>	
<b>7.6 Seller Requirements</b>	
<b>Section 8.0 Adoption of Policies .....</b>	<b>13</b>

## **Section 1.0 Investment of Reserve Policy**

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 in accordance with the Colorado Revised Nonprofit Corporation Act.

Reserve funds will be invested in Certificates of Deposit in increments of \$5,000 with a federally insured bank.

## **Section 2.0 Enforcement Policy & Procedures and Fine Schedules**

### **2.1 Advertising/signs.**

Two standard "For Sale" or one standard "for rent" sign (not to exceed 18" x 24") as approved by the Board of Directors, will be allowed. In the case of a "For Sale" sign, one sign may be placed on the property next to the unit being sold and one sign along Hadler St. if the sign by the unit marketed is not readily visible by driving past the Alpine Shadows Townhomes on Hadler. In the case of a "For Rent" sign, one sign is permitted on the property adjacent to the unit.

No other advertising or signs or any character shall be erected, placed, permitted or maintained on any lot or home other than a street number.

### **2.2 Antennae**

No aerial, antenna, satellite dish or microwave system for reception or transmission of radio, television or other electronic signals, or other roof projections, including, but not limited to, lightening rods and weather vanes shall be maintained on the roof or any other exterior location of a building or lot unless approved by the Architectural Review Committee.

### **2.3 Architectural Control**

2.3.1 No exterior additions to, alterations of, or decoration of Buildings, drainage patterns, nor any changes in fences, hedges, walls or other structures shall be permitted without the prior written consent of the Association's Board of Directors and/or Architectural Review Committee. No interior additions or renovations which may affect the structural integrity of the building shall be undertaken without the prior written approval of the Board of Directors and/or Architectural Review Committee. Upon submission of a written detailed plan, the Architectural Review Committee shall review and recommend action to the Board of Directors.

2.3.2 Examples of modifications requiring Board of Directors approval are: antennae, flag pole, house number, mail box, exterior lighting, alterations in color schemes for home of decks, landscaping, screening of balconies, porches or patios which is not of original construction.

2.3.3 Flags. (1) The American flag may be displayed on an owner/occupant's property or within the window of a unit or a balcony, but may not be attached to the exterior of the unit in any manner except by a bracket (attached to wood and not to stucco), which has been approved by the Association, or a flagpole located in the rear of the unit. The flag must be displayed in a manner consistent with Federal and State Flag Codes. The flag may not be larger than 3' x 4'. (2) A Service flag bearing a star denoting the service of the unit owner/occupant or a member of unit owner/occupant's family in the active or reserve military service of the United States may be displayed on the inside of a window or door of the unit owner/occupant's home. The Service flag may not exceed 3' x 4'.

## Alpine Shadows Townhomes – Keeping Your Community Safe – December 2009

2.3.4 Basketball Hoops - shall not be permitted on the property. Portable hoops must be put away, out of sight of other homes or the street when not in use and maintained in good condition. No hoop may be in the street or right of ways at any time.

### 2.3.5 Clean and Sanitary

All parts of the Association including each townhome, garage, patio and deck shall be kept in a clean, slightly, and sanitary condition.

2.3.6 Garage Doors - Garage doors must be closed by dark.

### 2.3.7 Hazardous Activities.

No hazardous or unsafe activities shall be permitted to be conducted on the property. This includes but is not limited to open fires outside of a contained grill or started on the common area, the discharge of firearms, unsafe storage of flammable materials anywhere within the confines of the property or within the townhomes, and exceeding the posted speed limit within the Association. The Association will not accept responsibility for damage or injury which is a direct or indirect result of a guest, tenant, or Owner engaged or allowing any of the activities listed above. All owners should heed the advice of the Colorado Springs Fire Department and not keep propane grills with tanks larger than two pounds on upper decks without stairs or have an outside fire within 10 feet of any structure.

## 2.4. Parking/Tow-Aways/Maintenance

2.4.1 No vehicle so disabled as to constitute an obstruction to traffic and the person in charge of the vehicle is unable to provide for its custody and removal shall be stored within the community. Any vehicle fulfilling this description in the community for longer than 2 weeks shall be considered a violation and shall be either reported to the authorities for removal or violated by the Association and fines shall be instituted.

2.4.2 A vehicle that is immobile, not properly licensed or registered for a period of seven (7) days may be deemed abandoned. A notice will be given to the authorities to have it removed.

2.4.3 The Association property includes nine (9) visitor parking spaces. A vehicle parked in a visitor parking space and not moved in three (3) days may be towed without further notice.

2.4.4 Exceptions to the above may be granted by the Board of Directors due to temporary circumstances.

2.4.5 Owners or residents going on vacation should contact the management office regarding the parking of their vehicle so it will not be considered abandoned.

2.4.6 Alpine Shadows View is considered a fire lane. Parking on the street for more than 6 hours at a time is not permitted.

2.4.7 Any vehicle that is parked illegally according to the parking ordinances of the City of Colorado Springs then in effect will be reported to the authorities.

2.4.8 Any owner who has a vehicle removed or towed pursuant to the provisions of these Rules shall be responsible for all costs of removal incurred by the Association and should any legal action be brought by the Association with respect to a violation of any of the foregoing Rules, the owner, in addition to any other damages incurred by the Association, shall be liable for all reasonable attorney's fees and cost incurred by the Association in such legal action.

2.4.9 No commercial type vehicles, recreational vehicles (including, but not limited to RV's, bus, camping trailers, boat trailer, hauling trailer, running gear, boat or accessories) or trucks over 2-ton size truck may be parked overnight on Alpine Shadows View or stored within the community.

2.4.10 No repair, maintenance, rebuilding, dismantling, repainting or servicing of any kind of vehicle may be performed within the Association.

2.4.11 Notwithstanding the foregoing, emergency motor vehicles are permitted in the homeowner's driveway, on Alpine Shadows View, and guest parking spaces if the emergency motor vehicle meets the following requirements:

## Alpine Shadows Townhomes – Keeping Your Community Safe – December 2009

(1) The emergency motor vehicle is required by the homeowner's employer as a condition of employment; (2) the emergency motor vehicle weighs ten thousand pounds or less; (3) the homeowner is a member of a volunteer fire department or is employed by an emergency service provider; (4) the emergency motor vehicle has some visible emblem or marking designating it as an emergency vehicle; and (5) the parked emergency motor vehicle does not block emergency access or prevent other homeowners from using the streets.

For the purposes of this rule, an emergency service provider is defined as a primary provider of emergency fire fighting, law enforcement, ambulance, emergency medical, or other emergency services.

### 2.5 Pets/Animals

No animals except domesticated birds or fish and other small domestic animals permanently confined indoors, no more than two (2) dogs/cats/birds (no more than a total of two (2) animals, except fish) may be kept without the prior written approval of the Board of Directors. (Fish may be kept in addition to two (2) other pets. No livestock or poultry of any kind shall be kept. The right to keep a household pet shall be coupled with the responsibility to pay for any damage caused by an Owner's pet. Every owner of a pet shall maintain strict control over the pet and shall prohibit the pet from making loud, disturbing noises or any other behavior annoying to other owners. Pets must be leashed and accompanied when in common areas. Tethering pets in the common areas, on decks, patios or porches in any area of a home not surrounded by fencing is not permitted. Tethering apparatus may be removed from the common property without notice. Pet waste must be removed immediately. If a pet is deemed a nuisance to others by a majority vote of the Board of Directors, after the owner has been given an opportunity to be heard, the animal shall be removed immediately. The Board of Directors may accept requests for variance of this policy on an individual basis.

### 2.6 Renters/Leases

No less than 51% of the units must be owner occupied and/or owned but not rented or leased. Otherwise, the owner has the right to lease his home provided under the following circumstances:

2.6.1 No less than the entire townhome is rented.

2.6.2 All leases shall be in writing.

2.6.3 All leases shall provide that the terms of the lease and the lessee's occupancy of the home are subject in all respects to the provisions of the Declarations, Articles and Bylaws of the Association. Any failure by the lessee to comply shall be a default under the lease. Every owner is obligated to provide the following information to the Association's Managing Agent within ten (10) days of signing of such a lease: Name(s) and phone numbers of lessee(s) and length and any special terms of the contract (such as pet restrictions).

2.6.4 No owner may lease his home for transient, hotel or time-sharing purposes. An exception may be made, if approved in writing by the Board of Directors, to rent for a period not to exceed one week to families attending an Air Force Academy graduation.

2.6.5 There shall be no more than 2 individuals per room not including dining, kitchen and baths. (for example: 3 bedroom - total adults for occupancy = 8, 2 bedrooms = 6 individuals).

2.6.6 No home may be leased or rented for a period of less than thirty (30) days, with the exception mentioned in 2.6.4 above.

### 2.7 Residential Use

The Association townhomes are restricted to residential use. There shall be no more than 2 individuals per room not including dining, kitchen and baths. (For example 3 bedroom total adults for occupancy = 8).

#### 2.8.1 Storage of Articles

No condition shall be permitted within any townhome, balcony, porch, patio or deck which is visible from other homes, the street or the common areas, which is inconsistent with the design integrity of the Association. Articles, which are approved, to be placed on porches or patios without prior approval of the Board of Directors, are planters and outdoor furniture. The Board of Directors reserves the right to determine what will be considered appropriate furniture or articles that may be placed in view of other townhomes or common areas. In addition, clotheslines shall not be allowed in the front of the home or seen over a fence line, without prior Board approval.

#### 2.9 Temporary Structures

No structures of a temporary character shall be permitted on any part of the Association, with the exception of a common storage unit built by and maintained by the Association for the common use of all owners.

#### 2.10 Trash/Fire Hazard

No rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard permitted to exist. Do not place trash containers or other rubbish outside prior to the evening before your appointed trash collection day. The trash bin shall be placed back in the garage the evening that the trash is picked up. Violations will result in fees assessed by the Board to the responsible parties.

#### 2.11 Unlawful Use

No unlawful, immoral, improper or offensive use shall be permitted or made to a townhome within the Association. All laws, ordinances and regulations of the City, County and State shall be observed.

#### 2.12 Violations and Fines

This Rule shall apply to any alleged violation of the Association's Declarations, Articles of Incorporation, Bylaws and Policies, Procedures, Rules and Regulations, except and excluding non-payment of assessments or other sums.

2.12.1 Complaints. Initial complaints of any violation may be presented to the Association's designated Management company or officer in writing to the Board by any person or orally at any meeting. The Board of Directors shall determine whether or not the complaint shows cause for the imposition of a warning or a fine. The Board shall require the Management company to issue a warning to the owner, and notify the owner of the possible imposition of fine(s) and set it for hearing at a later date if the owner does not comply with the warning.

2.12.2 Notice (1) Warnings: The Association may send (through the Management company) courtesy notices and warnings regarding violations and/or fines. These notices and warnings shall not require any hearing prior to issuance. Violators may be given a notice to pay a proposed fine, and if so, they will waive their right to a hearing before the Board upon payment of the proposed fine. (2) Notice of Hearing: If the matter is set for a hearing, the Board of Directors or its officers or agents, shall then send a written notice by regular and certified mail, return receipt requested, to the owner, and a copy may be sent to the alleged violator (if known) such as a tenant, contractor, guest or family member of the owner. The Notice shall indicate the time and place of the hearing, and any other information regarding the violation which the Board of Directors deems appropriate. The Notice shall be deemed received by the owner (3) days after mailing. The Notice may be sent to the unit if the owner has failed to register a current mailing address. A copy of the Notice may also be sent to the complaining party. The Association shall not be responsible for non-delivery of the Notice to the owner in cases where the owner has failed to notify the Association of a tenant living in their unit or if the Owner fails to notify the

Association of a valid forwarding address when their unit has been leased.

2.12.3 Hearing. Hearings shall be held in executive session because they may involve privacy and/or possible litigation issues. The Board may exclude any person other than the owner, alleged violator, and witnesses when testifying.

(1) At the hearing, the Board may consider any written or oral information produced by the owner, tenant, or alleged violator or other interested party. Any legal or statutory rule of evidence shall not apply to the hearing. The Board may restrict testimony or proceed in any manner. Generally, any relevant evidence may be admitted. Hearsay evidence shall be sufficient itself to support a finding. The Board may tape record or otherwise transcribe the hearing. The Board may proceed with the hearing even if the owner, tenant/guest fails to appear or refuses to participate or to submit information. The owner/tenant/guest may be represented by legal counsel as long as they give the Board at least five (5) days prior written notice, in which case the Board's attorney may be present as well. Any participant may question any witness and examine any documents presented. The Board's decision shall be made by majority vote of the Board members present and a brief summary of the decision, whether the violation actually occurred, whether the owner should be held responsible, and the sanction, if any, shall be sent by regular mail to the owner/tenant/guest/alleged violator.

2.12.4 Extent of Violations - each incident or each day of a continuing violation shall be considered a separate violation for which any maximum fine may be imposed. The Board may impose increased fines for repeated or intentional violations.

#### 2.12.5 Parties to Violations

Owners shall be responsible for violations committed by their contractors, guests, family members, or tenants. The Association may proceed against both the owner and the alleged violator, simultaneously or separately, and actions against one shall not bar action against the other. The Association may contact the police, any regulatory or licensing authorities or other third parties regarding the alleged violations, but any action by those parties shall not bar the Association from proceeding.

#### 2.12.6 Fines and Sanctions

(1) First offense: Written Warning

(2) Second Offense: Written Warning

(3) Third offense: \$25.00 fine, hearing and a warning/eviction/injunction and a \$50.00 fine for all City Code Violations.

(4) Fourth offense: \$25/day fine. If this is a City Code Violation \$50/day fine. The Board reserves the right to back-charge the cost of certified/return receipt postage and a \$5.00 processing fee on any fine letters mailed. Further:

Repair of Damage caused, and assessment of the total cost is permitted against the responsible homeowner, tenant/guest with corresponding liabilities specified in the Association Declarations for non-payment. Legal action may be taken to secure injunctive action against habitual offenders. Cost of any such action would be borne by the offending party(s). In the case of an offending tenant, legal action against may be taken against the owner to evict tenants. Any legal fees incurred by the Association for enforcement of the rules shall be paid by the homeowner.

Any fine shall be both a personal obligation of the owner and/or violator and shall also be an assessment creating a lien which may be recorded against the unit and may be foreclosed as provided in the Declaration. The Association may notify any lender and credit agency of such obligation and lien. The Association may bring legal action to enforce the violated provision and to recover the fine. The Association is entitled to recover from the owner/violator reasonable attorney fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted or is successfully concluded.

\*\*The Board of Directors, in its sole discretion, may waive fines, fees, and interest.

**Section 3.0. HOA versus Owners Responsibility**

At the 15 August 2007 Association meeting, responsibilities of homeowner and Association were defined in a Responsibility Chart. Traditionally, doors and windows are the responsibility of the individual unit owner.

ITEM	HOA	Owner	Comment
Roof repairs, maintenance, and replacement	X		
Driveways – cracks, settling, repair or replacement	*	*	An analysis by the Board will be completed to determine the severity of the damaged driveway.
Front Door varnish upkeep		X	
Tarnished, discolored front door handles and kick panels		X	
Exterior trim painting	X		
Broken Window replacement		X	
Lawns and sod replacement	X		
Wood front steps repair and replacement	X	*	HOA will repair unless owner caused the damage.
Wood front steps upkeep/staining	X	*	Association Budget does not currently cover annual staining. Owner may choose to stain stairs in alternate years and be reimbursed for cost of stain (with receipt).
Deck staining and upkeep	X	*	Association Budget does not currently cover annual staining. Owner may choose to stain stairs in alternate years and be reimbursed for cost of stain (with receipt).
Concrete patios – cracked, sinking or replacement	*	*	An analysis by the Board will be completed to determine the severity of the damaged patio. HOA replacement of severely damaged patios as budget allows.
Stucco repairs – chips and cracks	X		HOA will repair unless owner caused the damage.
Litter pick-up		X	Each owner is responsible to keep their unit's exterior free from trash, litter, and dog feces.
Tree trimming	X		
Dead tree replacement	X		Based on the availability of funds and necessity.
Insect control – ants & spiders		X	
Drywall repairs – interior cracks due to settling		X	
Drywall repairs – due to roof leaks	X		
Drywall repairs – around windows	X		Unless due to owner negligence by not replacing cracked or broken windows.
Shrubbery, annuals, perennials, plantings of all types – planted by owner including upkeep and maintenance.		X	Owner should obtain prior approval for plantings from Architectural Review Committee.
Interior unit damage due to sewer back-up		X	
Sewer cleanout		X	
Sump pump failures or issues with the casing		X	The cost to replace a defective sump pump is to be shared by the owners that are part of that

			building group. A single sump pump serves to remove underground water from either a two or four unit building.
Sump pump lids		X	Sump pump lids must be on the pump casing at all times.
Sidewalks and concrete steps – cracked, settling or replacement	X		An analysis by the Board will be completed to determine the severity of the damaged sidewalks and concrete steps.
Rain gutters – leaks	X		
Windows seals/caulking		X	
Radon testing & Radon Remediation		X	

**Section 4.0. Association's Policy and Practices for Assessment Collection**

(Payments and Late Charges)

4.1 Monthly assessments are due on the 1st of the month and delinquent if not received by the Association or its designated payee by the 15th of the month. All payments not received by the 15th will be charged a \$15.00 late charge per month not paid. Allow ample time for mailing of payments.

4.2 Special Assessments are due according to the time frame specified by the Board, and defined in the Special Assessment letter sent to each unit owner. All Special Assessment payments not received within 15 days of the specified dates will be charge a \$15 late charge per month not paid. Allow ample time for mailing of payments.

4.3 The Association may charge for any notices sent to the Owners in connection with such delinquent assessments, but the Owners are responsible for ensuring that their payments are timely and fully made. Owners must notify the Association immediately of any change in mailing address or status.

4.4 All payments shall be applied to outstanding balances in the following order of priority: (A) Late charges; (B) Legal Fees and costs or fines, and (C) Assessments.

4.5 There shall be a \$25.00 handling charge plus postage for all returned checks.

4.6 The following may apply to all past due members for both monthly and special assessments:

4.6.1 Pay or Lien Letter may be sent by certified mail not less than thirty (30) days after due date (cost to owner \$5.00 plus postage).

4.6.2 After sixty (60) days past due, the Association may place a lien against the owner's property if the delinquent amount has not been paid (cost to owner \$42.00)

4.6.3 In the case of Special Assessments with staggered or monthly payments, after thirty (30) days past the point where half the amount of the Assessment is due, the Association may place a lien against the owner's property for the full amount of the Assessment if the delinquent amount has not been paid. (cost to owner \$50.00) The Association may place a lien sooner than thirty days if the Association determines that their position is in jeopardy.

4.6.4 After ninety (90) days the Association may choose to foreclose the Lien and/or file a money complaint for all assessments, costs, interest and legal fees (cost \$500 - \$2200).

4.6.5 Voting rights will be denied until all moneys owing are paid in full.

4.6.6 All costs associated with collection of delinquent Association Fees will be assessed against the unit.

4.6.7 In order to provide both the delinquent property owner and the Board of Directors with as much information as possible regarding reasons for delinquency, offending delinquent property owners may be

invited to attend a special executive session of the Board to explain their reason for delinquent payments of dues, assessments, or other charges levied by the Association.

4.6.8 The Board, after such meeting, may decide whether delinquent charges will stand, be reduced, or eliminated, and may notify the delinquent property owner in writing of its decision and any subsequent actions which will be undertaken by the Association.

4.6.9 The Board reserves the right to turn the delinquent account over to a collection agency, attorney, and or to file liens for the collection or foreclosure. The Board may, at its discretion, utilize all or any combination of the collection methods.

4.6.10 The delinquent owner is responsible for all costs of collection, attorney fees, and other costs incurred with the collection. Any unpaid balance is subject to accumulated late penalties and fees if not paid in full by the 15th of the month such fees are due.

4.7 Prior to the release of any lien, all monies due must be paid in full to the Association, together with a further handling fee of \$50.00.

The costs above are estimates only and may be greater than stated and are subject to change without notice. The Association shall not be liable for any errors or omissions in any payment statement to the Owner.

### **Section 5.0 Conflicts of Interest**

5.1 The Board of Directors shall comply with all of Colorado's statutory provisions regarding conflict of interest as found in the Colorado Revised Non-profit Corporation Act and the Colorado Common Interest Ownership Act. A conflict of interest is defined by the Colorado statutes, but generally means any contract, transaction, or other financial relationship between the Association and a Director/Board member/Board Officer (or any party related to them), or in which they have a financial interest. A party related to a Director/Board member/Board Officer means a spouse, descendent, ancestor, sibling, spouse, or descendant of a sibling, an estate or trust in which the Director or a party related to the director has a beneficial interest. No loans shall be made by the Association to its Directors or officers.

5.2 Each Board member is obligated by law to disclose, in an open Board meeting, any existing conflict of interest prior to any discussion or action on that issue, and the Board member shall not vote on such issue.

5.3 If a Board member is uncertain as to whether a conflict of interest exists, the member must assume that it does.

5.4 A Board member with a conflict of interest may be counted "present" for the purpose of determining whether a quorum exists.

5.5 Any Board member who violates this rule may be removed from the Board.

### **Section 6.0 Conduct of Meetings**

6.1 Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, and shall be conducted by secret ballot. Each owner entitled to vote shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder.

6.2 Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of the Owners, shall be taken in such method as determined by the Board including acclamation, by hand, by voice, or by ballot.

6.3 Uncontested elections of Board members or other votes on matters affecting the community shall be 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.

## **Section 7.0 Records**

7.1 Members have the right to examine certain records of the Association. It is the obligation of every member to hold this information in appropriate confidentiality.

7.2 Requests by Members to inspect documents must be made in good faith, for a proper purpose, and describe with reasonable detail what records are needed and why. Requested documents must be relevant to the owner's stated purpose for the request, directly pertaining to the owner's purpose. Members shall not exercise their inspection or copying rights in order to harass any other Member or the Management company.

7.3 Certain information is deemed not available to the general membership for review or reproduction including:

7.3.1 Files pertaining specifically to other units.

7.3.2 Delinquent account information, unless requested by the owner responsible for said account or by the Board Treasurer.

7.3.3 Attorney-client communications.

7.3.4 Information involving pending or anticipated litigation or contract negotiations.

7.3.5 Information involving employment, promotion, or dismissal of Association employees or other personnel.

7.3.6 Membership lists that may be used for purposes unrelated to an Owner's interest as Owner, solicitation of money or property, commercial purposes, or for transfer in any fashion to a third party.

7.3.7 Other privileged information.

7.4 The Association shall not be liable for the disclosure or copying of any materials which are required to be provided by statute or judicial proceeding. **The Association does not warrant or represent the accuracy, completeness, or any other matter in the materials provided.**

## **7.5 Process for Requesting Examination or Copies of Records**

7.5.1 Members who desire to examine and/or have copies made of Association records must make an appointment with the Management company. Reasonable effort will be made to accommodate the member within a reasonable period of time.

7.5.2 Inspection/copying of Association records should be during regular business hours.

7.5.3 Members shall not remove any document from the Association's records, nor shall they remove records from the Association's place of business. Certain records may be copied at the Member's expense.

## **7.6 Seller Requirements**

7.6.1 Colorado law requires that the seller of a unit in a common interest community MUST mail or deliver personally to the buyer copies of the most current version of the following records at seller's own expense:

(1) Association bylaws and rules; (2) Declarations and/or covenants; (3) Any party wall agreements; (4) Minutes of the most recent annual owners' meeting and any executive

board meetings that occurred within the 6 months preceding the title deadline; (5) operation budget of the association; (6) Association's annual income and expenditures statement; and (7) Annual balance sheet of the association.

7.6.2 If records are available on a website, the seller or seller's agent should use that website to obtain the documents.

7.6.3 Seller has the responsibility to obtain from the buyer a signed acknowledgement of receipt of the required information and disclosure statement. The seller is then responsible for delivering the signed acknowledgement to the Association as soon as possible.

### **Section 8.0 Adoption of Policies**

The Colorado Common Interest Ownership Act allows associations to adopt rules and regulations.

Policies must be reasonable. The definition of a reasonable policy is that it is just, sensible, not excessive (i.e., a policy should be necessary and not more punitive than necessary), and intended to promote legitimate goals. Unreasonable policies or rules are illogical or unfair and too broad or too severe.

The policies must be consistent with applicable federal, state, and local statutes.

The policies must be consistent with the governing documents.

The policy must reasonably relate to the operation and purpose of the association.

The policy must be fair. It should not create a separate class or group of owners, residents or occupants.

The policy should be clear.

The policy must be uniformly enforced.

Before being adopted, notice of the proposed policy should be given to owners and written comments invited. The proposed policy(s) may be discussed at a general meeting of owners.