

**FIRST AMENDED AND RESTATED  
GOVERNANCE POLICIES AND PROCEDURES  
OF THE TELLURIDE LODGE ASSOCIATION,  
A COLORADO NONPROFIT CORPORATION**

These First Amended and Restated Governance Policies and Procedures of The Telluride Lodge Condominiums (“**Policies**”) have been adopted and implemented to protect the investment of the Owners of Units, who are deemed to be members of the Association and to enhance the values of the properties subject to regulation by the Board of Directors of The Telluride Lodge, a Colorado nonprofit corporation (the “**Association**”). The Owners are sometimes referred to as the Owner/Members.

These Policies are intended to: (a) modify, amend and restate and (b) shall replace and supersede such other or prior similar policies previously adopted by the Association.

These Policies are promulgated in accordance with the authority of the Association as provided for under applicable law as well as the governing documents for The Telluride Lodge Condominiums, which include, without limitation, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Telluride Lodge Condominiums, the Condominium Map for The Telluride Lodge Condominiums, the Articles of Incorporation and Bylaws for the Association, and any rules, regulations and policies duly adopted by the Association from time to time (collectively, “**Governing Documents**”) as the same may be amended or supplemented from time to time.

In the event of a conflict between these Policies and the terms and conditions of the Declaration, the terms and conditions of the Declaration shall control.

1. **BOARD GOVERNANCE AND COMPOSITION.** The affairs of most nonprofit corporations are managed by its Board of Directors composed of volunteer leaders (each, a “**Director**”). Although the Board has the power to delegate authority, the ultimate responsibility for the governance of the corporation resides with the Board of Directors. The Board of Directors acts only as a group at duly-convened meetings at which a quorum is present - i.e., participates in person, by video conference or telephonically - or without a meeting by unanimous written consent of all the Directors, provided the Directors at a duly convened meeting would have had the power to take such action. The bylaws typically state the number of Directors required to have a quorum. For purposes of calculating the quorum, the organization considers the number of individuals elected to and serving as Directors at the time of any meeting. Vacancies of Directors which could have been but have not been filled are not considered when determining the quorum. Unless the articles or bylaws specifically provide for it, Directors may not vote by proxy. When a quorum participates in a meeting, action by the Board usually requires only a simple majority vote of the Directors present, though a greater vote may be required by Robert’s Rules of Order or other controlling authority, such as the state nonprofit corporation act, the articles of incorporation or the bylaws. A Director may resign from the Board of Directors at any time by delivering written notice to the chair of the Board or to the secretary. Resignation is effective upon receipt of the notice or at such future time as is stated in the notice. A Director may be removed from office at a meeting specially called for that purpose with or without cause by such vote as would suffice for his or her election.

2. **DIRECTOR CONFLICT OF INTEREST.**

2.1. **General Duty.** The Board of Directors shall use its commercially reasonable and good faith efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and the Association. All Directors shall exercise their power and duties in a commercially reasonable and good faith manner and in the best interest of the Association, consistent with the so called “business judgment rule”. All Directors shall comply with all lawful provisions of the Declaration and the Association’s Articles, Bylaws, and Rules and Regulations.

## 2.2. **Conflicting Interest Transactions.**

2.2.1. A “**Conflicting Interest Transaction**” is defined as a contract, transaction or other financial relationship between the Association and a Director of the Association, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is an officer, director or other partner, member or manager or has a financial interest.

2.2.2. Notwithstanding to provisions of C.R.S. §7-128-501 and C.R.S. §38-33.3-310.5, a Director shall not participate in actions by the Board with respect to the negotiation, review, approval or voting on a transaction that would be considered a Conflicting Interest Transaction. The Director with the conflict shall disclose such conditions and circumstances to the other Directors. The remaining Directors, in the exercise of their reasonable discretion, may undertake a transaction that would have constituted a Conflicting Interest Transaction, provided that the Director whose participation would have resulted in the creation of a Conflicting Interest Transaction, refrains from voting and does not engage in discussions with the Board concerning the transaction and the transaction is otherwise fair and commercially reasonable to the Association. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against.

2.3. **Recusal of Directors or Committee Members.** For purposes of this section, the term “design/use Application” shall mean an application presented to the Board of Directors or a committee, involving reviews that include, but are not limited to, design reviews, alterations to units and/or related expansions of a Unit into Common Elements and matters concerning the use of a Unit and appeals of such actions. A conflict of interest shall exist in the event that a Director in the review of an Design/use Application which involves: (a) property that is owned by the Director or their immediate family (ie. husband/wife, parents, children, siblings) , (b) property owned by a person or an entity to whom the Director has a business relationship, and (c) instances where the Director would receive notice of the pending Design/use Application because of proximity to the property for which the Design/use Application has been submitted. Directors shall recuse themselves and not participate in the voting on an application for which the Director has a conflict of interest. Such Director, after disclosing the conflict of interest, may participate in the discussion of the item, but shall not vote on the action. The minutes of the meeting shall reflect the disclosures and recusals made, the composition of the quorum and record who voted for and against.

## 3. **DIRECTOR’S LIABILITY.**

3.1. A Director who behaves fairly and honorably and who, acting in good faith, is diligent in discharging his or her duties is not likely to be subjected to personal liability. Courts recognize that business judgment inevitably involves risk evaluation and that Directors are not normally committed to full-time involvement in the affairs of the organization. Courts further recognize that Directors must make important decisions which, in retrospect, may prove to be erroneous. If it turns out the decision of the Board was a mistake, the question of whether or not the Directors have been careless is decided in terms of the facts as they were or reasonably appeared to be when the decision was made and not in terms of 20-20 hindsight.

3.2. Directors are generally protected from honest mistakes if they (1) exercised their good faith judgment without carelessness, (2) acted within the power granted to the organization by state law and the organization’s articles of incorporation and bylaws, and (3) executed such judgment after due consideration of what they reasonably believed to be the relevant facts. If, however, a Director violates his or her duty of loyalty to the organization, a court may hold the Director responsible for such willful neglect.

3.3. The absence of a Director at a Board meeting usually does not excuse the Director from personal liability for actions taken at the meeting. If the Director is absent from a Board meeting, he or she is responsible for obtaining the minutes of the meeting, and if he or she objects to any action taken, promptly dissent, preferably in writing, to the entire Board. If this is not done, the Director may be deemed to have acquiesced in the action.

#### 4. **RIGHT TO INDEMNIFICATION.**

4.1. The bylaws of the Association sometimes authorize the Association, under certain circumstances, to indemnify its officers and Directors for costs and expenses incurred by them as a result of legal proceedings brought by a third party. The right to indemnification is governed by statute, however, and the organization may indemnify its officers and Directors only to the extent permitted by the state law. A bylaw or agreement which extends this right is unenforceable. In the absence of any right to indemnification in the organization's bylaws or an agreement entered into between the organization and each Directors right to indemnification is dependent on state law.

4.2. Many organizations also maintain a fairly broad coverage association professional liability insurance policy that includes Directors, and officers liability coverage. Directors may also want to consult with their personal insurance agent to see if a homeowner's umbrella liability policy provides any coverage for their actions as a nonprofit Director.

5. **CONDUCT OF MEETINGS.** Meetings of the Owner/Members and the Board of Directors shall be conducted in accordance with the bylaws for the Association as well as all applicable provisions of the Colorado Nonprofit Corporation Act (C.R.S. § 7- 135-100 *et. seq.*) and the Colorado Common Interest Ownership Act (C.R.S. § 38-33.3-101 *et. seq.*), as well as in accordance with Roberts Rules of Order and these policies.

5.1. **Owner Meetings.** Annual Meetings or Special Meetings of the Owners/Members of the Association shall be called pursuant to the Bylaws of the Association.

5.1.1. **Notice.** In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be mailed or emailed to each owner to the address on file with the Association at least 30 days prior to each such meeting, or as may otherwise be required by Colorado law. A copy of the notice and agenda shall also be posted on the Association Website and at the Association's business office at least 10 days prior to each such meeting, or as may otherwise be required by Colorado law.

5.1.2. **Conduct.** All Annual Meetings or Special Meetings of the Owners/Members of the Association shall be governed by the following rules of conduct and order:

A. The President of the Association or designee shall chair all Owner meetings.

B. The matters discussed in the course of the meeting shall follow and adhere to the topics identified in the adopted Agenda for the meeting. Additional discussion points may be considered under New Business, but not otherwise.

C. Discussions shall be restricted to the topic called by the Chair as indicated on the agenda and shall be limited to discussions of one topic at a time.

D. All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).

- E. Anyone wishing to speak must first be recognized by the Chair.
- F. Only one person may speak at a time.
- G. Each person who speaks shall first state his or her name and Unit address.
- H. Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
- I. Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
- J. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting. Questions or comments should be directed to the Board, not to other owners or guests at the meeting.
- K. Each person shall be given up to a maximum of two minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, in his or her sole discretion, but shall be uniform for all persons addressing the meeting.
- L. All actions and/or decisions will require a motion and a second, followed by a vote, with a majority of those authorized to vote sufficient to carry the motion, unless otherwise required by the Governing Documents.
- M. Once a vote has been taken, there will be no further discussion regarding that topic.
- N. Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
- O. The Chair may establish such additional rules of order as may be necessary from time to time.

5.1.3. **Voting**. All votes taken at Owner meetings shall be taken as follows:

- A. Each Owner of a Unit in the Community shall have the voting rights as established in the Declaration.
- B. If title to a Unit is held by an entity, including, without limitation, a firm, corporation, partnership, trust, limited liability company, association or other legal entity or any combination thereof (hereinafter "entity"), that entity must appoint a "delegate" to represent such Included Property. The moderator of the meeting may require reasonable evidence that a person voting on behalf of an entity is qualified to vote. A delegate may serve on the Board or as an officer for the Association.
- C. Election of Board members in a contested election shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot.

The ballot shall contain identifying information concerning the ballot holder in order to verify voting accuracy, but such information shall be kept confidential by the Association and not part of the public record of the vote or the meeting. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

D. All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law. At the discretion of the Board or upon request of twenty percent (20%) of the Owners who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all Owners are entitled to vote shall be by secret ballot.

E. Written ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person presiding during that portion of the meeting. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates for such position.

F. The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue, without reference to the names, addresses or other identifying information of Owners participating in such vote.

5.1.4. **Proxies.** Proxies may be given by any Owner as allowed by C.R. S. 7-127-203. All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- A. Validity of the signature;
- B. Signatory's authority to sign for the Unit Owner;
- C. Authority of the Unit Owner to vote;
- D. Conflicting proxies; and
- E. Expiration of the proxy.

5.2. **Board Meetings.** Meetings of the Board of Directors shall be called and noticed in accordance with the Bylaws of the Association.

5.3. **Executive (or Closed) Session.**

5.3.1. When executive or closed sessions are permitted by law, the board should move into executive (closed) session before formal adjournment. All Owner/Members must be asked to leave except for those having a reason to participate (such as witnesses at a rule violation hearing). Only the statutory exceptions are good cause for moving into executive session. The board should announce to the Owner/Members the purpose of the executive session. The members of the board or any committee thereof may hold an executive or closed door session and may restrict attendance to executive board members and such other persons requested by the executive board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session or closed session are limited to:

- (a) matters pertaining to employees of the Association or the managing agent's contract, or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

- (b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) investigative proceedings concerning possible or actual criminal misconduct;
- (d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
- (f) Review of or discussion relating to any written or oral communication from legal counsel.

5.3.2. Upon the final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

5.3.3. Upon the final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

5.3.4. No rule or regulation of the board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session.

5.3.5. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held, and the general subject matter of the executive session.

## 6. NOTICE OF ASSESSMENTS/COLLECTION POLICIES

### 6.1. ASSESSMENTS

- **Invoices; Due Date.** The Association may send assessment invoices by mail or email at the address on file with the Association. All assessments shall be due as determined by the Board of Directors, but in no event less than ten (10) business days from the date invoiced. Failure to receive an invoice does not relieve an owner of his or her obligation to pay the assessment.

- **Application of Payments.** The Association will apply Owner payments of outstanding balances first to collection costs, then to interest, then to the most recent invoices for assessments, and finally to the oldest assessment balance.

- **Returned Checks.** There is a \$25 charge for returned checks.

- **Interest.** All amounts past due to the Association shall bear interest at eighteen percent (18%) *per annum*.

- **Certificate of Status of Assessment.** The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a \$50.00 fee.

## 6.2. PAYMENT PLANS

6.2.1. **Association Good-Faith Effort to Coordinate a One-Time Payment Plan.** In the course of collecting past-due assessments, the Association shall make a good-faith effort to coordinate with the delinquent owner to set up a one-time payment plan in accordance with these policies. To this end, the Association shall refer to the ability to enter into a one-time payment plan in its 30, 60, and 90-day late letters. The Association is not obligated to offer a payment plan to a delinquent owner who has previously entered into a payment plan.

6.2.2. The Association's manager is not a collection agency) or taking legal action to collect unpaid assessments, including recording lien, the Association shall send the delinquent owner a notice stating:

- A. The total amount due as of the date of the notice and how it was determined;
- B. Offering the delinquent lot owner one-time opportunity to enter into a 6-month payment plan;
- C. Listing the legal remedies, including foreclosure, available to the Association;
- D. Instructions (including the name and contact information) for communicating with the Association's manager to a) request a copy of the lot owner's ledger to verify the amount of the past-due amounts, or b) submit a request for a payment plan;
- E. That "action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the lot owner's property, or other remedies available under Colorado Law";
- F. The method by which the owner's payments may be applied;
- G. The legal remedies available to the Association to collect on the delinquent account under the governing documents and Colorado law.

6.2.3. **Owner Request for One-Time Payment Plan.** A delinquent owner who seeks to enter into a payment plan with the Association as set forth herein shall deliver a written request to the Association's manager via pre-paid U.S. mail, return receipt requested, or via courier such as Fedex with signature required.

6.3. **Contents of One-Time Payment Plan.** Minimally, the one-time payment plan offered by the Association to the delinquent owner shall:

6.3.1. Permit the delinquent owner to payoff the past-due assessments in equal installments over at least a 6-month period;

6.3.2. Not waive interest on past-due amounts, which shall continue to accrue and be part of the payment plan;

6.3.3. Not waive collection charges or attorneys' fees;

6.3.4. Require the delinquent owner to remain current on regular assessments as they come due during the period of the payment plan ("assessments" in this context include regular and special assessments and associated fees, charges, late charges, attorney fees, fines and interest charged);

6.3.5. Provide that if the delinquent owner fails to comply with the plan, the Association may pursue collection;

6.3.6. Be formally approved by the Board on an individual basis.

6.4. **Failure to Comply With Payment Plan.** If the delinquent owner fails to comply with the approved payment plan, including by failing to remit payment of an agreed-upon installment or to remain current with regular assessments (which includes regular and special assessments and any associated fees, charges, late charges, attorney fees, fines and interest charged) as they come due during the payment plan period, then the Association may pursue legal action against the delinquent owner.

## 7. COLLECTIONS

7.1. **Collection of Less Than \$1000.** For outstanding balances less than \$1000 that are thirty (30) days or more past due, the Association may send the delinquent owner a letter advising that the amount is thirty (30) days past due, that interest is accruing on the balance, and requesting payment. The letter shall also advise that, if not paid, the amount past due will be added to the delinquent owner's next statement with interest. The Association will not charge the delinquent owner for this letter.

7.2. **Collection of \$1000 or More.** For outstanding balances of \$1000 or more, the Association has adopted the following collection policy.

7.3. For balances that are thirty (30) days or more past due, the Association may send a collection letter to the delinquent owner advising that the amount is thirty (30) days past due, that interest is accruing on the balance, and requesting payment. There is no charge for this letter.

7.4. For balances that are sixty (60) days or more past due, the Association may send a collection letter to the delinquent owner advising that the amount is sixty (60) days past due, that the Association intends to record a lien against that owner's lot, that there is an administrative charge for the letter and that there will be an administrative charge for recording the lien. The Association will invoice this charge to the delinquent owner.

7.5. For balances that are more than ninety (90) days past due, the Association may record a lien against the delinquent owner's lot. If the Association records a lien, then the Association will send a copy to the delinquent owner via certified mail. The Association will invoice the administrative and legal charges for recording the lien and sending the certified mailing to the delinquent owner. The Association may also notify mortgagees of the lot of the delinquency and request payment.

7.6. For balances that are more than one hundred twenty (120) days past due, after notice to the delinquent owner and an opportunity to be heard before the board, the board may:

7.6.1. cause the total amount of such delinquent Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable, and/or



7.6.2. file a foreclosure action against the delinquent Owner's lot and file suit against the delinquent Owner personally for collection of all outstanding amounts.

7.7. **Attorneys Fees and Costs of Collection.** Delinquent owners are responsible for payment to the Association of all costs of collection, including the costs of collection letters, charges by the Association's manager, reasonable attorneys fees and collection agency fees.

7.8. **Notice Prior to Referring for Collection Action.** Prior to using a collection agency (for these purposes, the Association's manager is not a collection agency) or taking legal action to collect unpaid assessments, including recording lien, the Association shall send the delinquent owner a notice stating:

7.8.1. The total amount due as of the date of the notice and how it was determined;

7.8.2. Offering the delinquent lot owner one-time opportunity to enter into a 6-month payment plan;

7.8.3. Listing the legal remedies, including foreclosure, available to the Association;

7.8.4. Instructions (including the name and contact information) for communicating with the Association's manager to a) request a copy of the lot owner's ledger to verify the amount of the past-due amounts, or b) submit a request for a payment plan;

7.8.5. That "action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the lot owner's property, or other remedies available under Colorado Law";

7.8.6. The method by which the owner's payments may be applied;

7.8.7. The legal remedies available to the Association to collect on the delinquent account under the governing documents and Colorado law.

7.9. The foregoing notwithstanding, with regard to a unit owner's delinquency in paying assessments, fines, or fees, the Association shall adhere to the following requirements, which shall prevail over any contrary provisions in these policies:

7.9.1. The Association shall first contact the unit owner to alert the unit owner of the delinquency before taking action in relation to the delinquency pursuant to the Colorado Common Interest Ownership Act ("CIOA") and shall maintain a record of any contacts, including information regarding the type of communication used to contact the unit owner and the date and time that the contact was made. Any contacts that a community Association manager or a property management company makes on behalf of an Association pursuant to CIOA is deemed a contact made by the Association and not by a debt collector as defined in CRS section 5-16-103 (9). A unit owner may identify another person to serve as a designated contact for the unit owner to be contacted on the unit owner's behalf for purposes of this subsection). A unit owner may also notify the Association if the unit owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send the correspondence and notices in English. The unit owner and the unit owner's designated contact must receive the same correspondence and notices anytime

communications are sent out; except that the unit owner must receive the correspondence and notices in the language for which the unit owner has indicated a preference, if any. An Association may determine the manner in which a unit owner may identify a designated contact. In contacting the unit owner or a designated contact, an Association shall send the same type of notice of delinquency required to be sent pursuant to CIOA including sending it by certified mail, return receipt requested, and physically post a copy of the notice of delinquency at the unit owner's unit. In addition, the Association shall contact the unit owner by one of the following means:

A first-class mail;

B. Text message to a cellular number that the Association has on file because the unit owner has provided the cellular number to the Association; or

C. E-mail to an e-mail address that the Association has on file because the unit owner has provided the e-mail address to the Association.

7.9.2. The Association, shall refer a delinquent account to a collection agency or attorney only if a majority of the Board votes to refer the matter in a recorded vote at a meeting conducted pursuant to CRS section 38-33.3-308 (4)(e). The Association shall not refer a delinquent account to a collection agency or an attorney unless a majority of the Board votes to refer the matter in a recorded vote at a meeting conducted pursuant to CRS section 38-33.3-308 (4)(e).

7.9.3. An Association shall not impose late fees on a daily basis against a unit owner:

## 8. **INSPECTION AND COPYING OF ASSOCIATION RECORDS.**

8.1. **Record Retention.** The Association shall permanently retain the following records as required by Colorado law:

8.1.1. Records specifically defined in the Association's declaration or bylaws;

8.1.2. Records the Association is required to disclose within 90 days after the end of the fiscal year as required by CCIOA;

8.1.3. Detailed records of receipts and expenditures affecting the operation and administration of the Association;

8.1.4. Records of claims for construction defects and amounts received pursuant to settlement of those claims;

8.1.5. Minutes of all meetings of its owners and board, a record of all actions taken by the owners or board without a meeting, and a record of all actions taken by any committee of the board;

8.1.6. Written communications among, and votes cast by, board members that are: (i) directly related to an action taken by the board without a meeting pursuant to the Colorado Revised Nonprofit Corporation Act; or (ii) directly related to an action taken by the board without a meeting pursuant to the Association's bylaws;

8.1.7. A list of the names of all owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each owner is entitled to vote;

8.1.8. The Association's current declaration, covenants, bylaws, articles of incorporation, rules and regulations, responsible governance policies and other policies adopted by the board;

8.1.9. Financial statements for the past 3 years and tax returns of the Association for the past 7 years;

8.1.10. A list of the names, email addresses and physical mailing addresses of the current board members and officers;

8.1.11. The most recent annual report (if any) delivered to the Secretary of State;

8.1.12. Financial records sufficiently detailed to enable the Association to provide an owner with a written statement stating the amount of unpaid assessments currently levied against the owner's lot;

8.1.13. The Association's most current reserve study (if any);

8.1.14. Current written contracts to which the Association is a party and contracts for work performed within the past 2 years;

8.1.15. Records of board or committee actions to approve or deny any requests for design or architectural approval from owners;

8.1.16. Ballots, proxies and other records related to voting by owners for 1 year after the election, action or vote;

8.1.17. Resolutions adopted by the board relating to the characteristics, qualifications, limitations, and obligations of members;

8.1.18. All written communications within the past 3 years sent to all owners.

8.2. **Inspection/Copying Association Records.** An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:

8.2.1. The inspection and/or copying of the records of the Association shall be conducted during the regular business hours of 9:00 a.m. to 4:00 p.m.; at the offices of the Association's manager, from time to time;

8.2.2. The Owner shall give the Association's manager a written demand, stating the specific Records for which the inspection and/or copying is sought, at least ten days before the date on which the Owner wishes to inspect and/or copy such records;

8.2.3. Inspections may be made by the Owner or a duly appointed agent, for which a written authorization is presented to the Association;

8.2.4. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or the Owner's representative;

8.2.5. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association;

8.2.6. Nothing contained herein shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

8.3. **The following Records may be withheld from copying and inspection:**

8.3.1. Architectural drawings, plans, and designs, except to the extent such materials and documents are required to be posted on the Association website as part of its review of an application submitted to the Association. Other documents shall not be released upon the written consent of the legal owners of the drawings, plans, or designs;

8.3.2. Contracts, leases, bids or records related to transactions to purchase or provide goods or services that are currently in or under negotiations;

8.3.3. Communications with legal counsel that are otherwise protected by attorney-client privilege or the attorney work product doctrine;

8.3.4. Disclosure of information in violation of law;

8.3.5. Records of an executive session of an Association board;

8.3.6. Records relating to or concerning individual lots other than those of the requesting owner;

8.4. **The following Records must be withheld from copying and inspection:**

8.4.1. Personnel, salary, or medical records relating to specific individuals; or

8.4.2. Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

8.5. **Use of Records.** Association records shall not be used by any Owner for:

8.5.1. Any purpose unrelated to an Owner's interest as an Owner;

8.5.2. The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;

8.5.3. Any commercial purpose;

8.5.4. For the purpose of giving, selling, or distributing such Association records to any person; or

8.5.5. Any improper purpose as determined in the sole discretion of the Board.

8.6. **Fees/Costs.** Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association for the costs of labor and material for gathering and copying the Records. The Association may require prepayment of the actual cost of the

requested Records. Failure to pay such prepayment of costs shall be valid grounds for denying Owner copies of such Records. If after prepayment it is determined that the actual cost was more than the prepayment, Owner shall pay such amount prior to delivery of the copies. If after prepayment it is determined that the actual cost was less than the prepayment, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.

8.7. **Use of Membership Lists.**

8.7.1. Without the consent of the board of directors, a membership list (or any part of that list) may not be obtained or used by any person for any purpose unrelated to a lot owner's interest as a lot owner.

8.7.2. A membership list may not be used for any commercial purpose.

8.7.3. A membership list may not be sold to or purchased by any person.

8.8. **Original.** No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.

8.9. **Creation of Records.** Nothing contained herein shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

9. **PROTECTION OF PERSONAL IDENTIFYING INFORMATION**

9.1. **Disposal and Destruction.** Unless otherwise required by state or federal law or regulation, upon the Association deeming a record is no longer necessary all paper or electronic records within the custody or control of the Association that contain "**Personal Identifying Information**" as defined and required by Colorado law will be destroyed by either shredding, erasing, or otherwise modifying the Personal Identifying Information to make the Personal Identifying Information unreadable or indecipherable through any means.

9.2. **Protection by the Association.** The Association shall take all reasonable measures to protect Personal Identifying Information in the Association's possession from unauthorized access, use, modification, disclosure, or destruction.

9.3. **Third Party Service Providers.** The Association shall require any third-party service provider it engages which has access to Personal Identifying Information to implement and maintain reasonable security procedures and practices that are appropriate to the nature of the Personal Identifying Information disclosed to the third-party service provider and reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

9.4. **Investigation of Suspected Breach.** If the Association or any third-party service provider suspects that a security breach involving Personal Identifying Information may have occurred, the Association shall immediately notify the President and conduct a good faith and prompt investigation to determine the likelihood that Personal Information has been or will be misused. Unless the investigation determines that the misuse of information regarding Personal Identifying Information has not occurred and is not reasonably likely to occur, the Association shall give notice to the affected party, as provided in this policy below and take further action as necessary under this Policy. If the investigation determines that the misuse of information regarding a Personal Identifying Information has not occurred

and is not reasonably likely to occur, the Association is not required to take further action pursuant to this Policy.

9.5. **Notice of Suspected Breach.** In the event the Association determines that a breach regarding Personal Identifying Information has occurred the Association shall provide notice to the impacted parties as set forth in these Policies.

9.6. **Timing of Notice.** Notice shall be in the most expedient time possible and without unreasonable delay, but no later than ten (10) days after the date of determination that a breach has occurred.

9.7. **Content of Notice.** If the Association is required to provide Notice, it shall provide the information to all affected parties regarding the date, estimated date, or estimated date range of the breach and a description of the Personal Identifying Information that was reasonably believed to have been acquired as part of the breach.

**Notice by Third-Party Service Providers.** If a third-party service provider was involved in any breach involving Personal Identifying Information, the third-party service provider shall be responsible for giving notice as required by section 7 of this policy and shall cooperate with the Association and any impacted parties.

## 10. **RESERVE STUDY.**

10.1. **Board of Directors Responsibility:** It shall be the responsibility of the Board of Directors to determine the repair and replacement risk of the assets owned and maintained by the Association. It shall be the Board of Directors' responsibility to create and maintain adequate reserves to provide for the orderly repair, restoration and replacement of these assets so as to minimize the risk to the homeowners of special assessments, deferred maintenance, or unfunded losses.

10.2. **Reserve Study:** In order to determine funding of the reserve fund, the Board of Directors shall determine the life expectancy of those portions of the community to be maintained, repaired, replaced, and improved by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (the "**Reserve Study**"). The Reserve Study may be conducted internally or with the assistance of consultants engaged by the Board of Directors.

10.3. **Basis of Study:** The Reserve Study will include both a physical and financial analysis as follows: a) Physical Analysis. The physical analysis will include:

10.3.1. A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component; and

10.3.2. Estimates of the remaining useful life and replacement cost of each component.

10.4. **Financial Analysis:** The financial analysis will include:

10.4.1. An analysis of the funds currently held in the Association's reserve funding relation to the expected needs of the Association per the reserve study; and

10.4.2. A future funding plan to meet the requirements of the reserve study.

10.5. **Frequency.** Each year following the establishment of the initial baseline study as provide above, the Association shall cause the reserve study to be evaluated to determine any increases in replacement costs and decreases in the useful like of the components of the Reserve Study to address any changes that need to be made.

10.6. **Funding:** The reserve fund will be funded through regular assessments and, when necessary, special assessments levied by the Association. The reserve fund shall be funded at a level such that the reserve fund shall at all times maintain a positive balance and shall target a surplus contingency amount which shall be set by the Board of Directors from time to time.

## 11. **RESERVE STUDY INVESTMENTS POLICIES.**

11.1. **Scope.** In order to properly maintain areas in the Association that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owner units, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.

11.2. **Purpose of the Reserve Fund.** The purpose of the reserve fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the community that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the community that the Association is responsible for typically have limited but reasonably predictable useful lives.

11.3. **Investment of Reserves.** The Board of Directors of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies:

(a) **Safety of Principal.** Promote and ensure the preservation of the Reserve Fund's principal.

(b) **Liquidity and Accessibility.** Structure maturities to ensure availability of assets for projected or unexpected expenditures.

(c) **Minimal Costs.** Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.

(d) **Diversify.** Mitigate the effects of interest rate volatility upon reserve assets.

(e) **Return.** Funds should be invested to seek a reasonable rate of return.

11.4. **Limitation on Investments.** Unless otherwise approved by the Board of Directors, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or by the United States Government.

11.5. **Strategy.** The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.

11.6. **Independent Professional Investment Assistance.** The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

11.7. **Review and Control.** The Board of Directors shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

11.8. **Reserve Study.** In order to determine funding of the Reserve Fund, the Board of Directors shall determine, with the assistance and advice of professionals, the life expectancy of those portions of the community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a “Reserve Study”).

11.9. **Review of Reserve Study.** The Board of Directors shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, at least once every three years, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.

## 12. **ADOPTION OF POLICIES.**

12.1. **Scope.** The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provision in other documents, the Governing Documents, or as may be required by law. In order to ensure that such Policies are necessary and properly organized, the Board of Directors shall follow the following procedures when adopting Policy.

12.2. **Drafting Procedure.** The Board of Directors shall consider the following in drafting Policy: a) Whether the Governing Documents or Colorado law grants the Board of Directors the authority to adopt such Policy:

- (a) The need for such Policy based upon the scope and importance of the issue and whether the Governing Documents adequately addresses the issue; and
- (b) The immediate and long-term impact and implication of the Policy.

12.3. **Adoption Procedure.** Any Policy shall be adopted by the Board of Directors at a duly called and noticed meeting of the Board of Directors and must be approved by a majority of a quorum of the Board of Directors. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners in accordance with the provisions set forth in the Declaration.

12.4. **Policy Book.** The Board of Directors shall keep copies of any and all adopted Policies in a book designated as a *Policy Book*. The Board of Directors may further categorize Policies, Rules and Regulations, Resolutions and Guidelines but shall not be required to do so.

## 13. **ENFORCEMENT OF COVENANTS; RULES AND POLICIES**

13.1. **Reporting Violations.** Complaints regarding alleged violations may be reported by an Owner or resident within Association, a group of Owners or residents, the Association’s management company, Board member(s) or committee member(s) by submission of a written complaint.

### 13.2. **Complaints.**

13.2.1. Complaints by Owners or residents shall be in writing and submitted to the Board of Directors through the Association’s manager. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant (“**Complainant**”), the alleged violator (“**Violator**”), if known, and set forth a statement describing the alleged violation, referencing the specific



provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

13.2.2. Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or Manager.

13.3. **Investigation.** Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by the Association's manager or a member of public safety staff.

13.4. **Initial Warning Letter.** If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have fifteen (15) days from the date of the letter to come into compliance. With respect to matters which are an immediate nuisance or capable of immediate cure, the Violator may be given such shorter period of time to come into compliance and the Association's manager or public safety staff may reasonably determine.

13.5. **Continued Violation After Initial Warning Letter.** If the alleged Violator does not come into compliance within the period of time stated in the first warning letter, this will be considered second violation for which a fine may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within ten (10) days of the date on the second violation letter. If the alleged Violator does not timely request a hearing, he or she shall be deemed to have waived any and all rights to a hearing with respect to the matter.

13.6. **Continued Violation After Second Letter.** If the alleged Violator does not come into compliance within the later of thirty (30) days of the second letter, or, in the event the alleged Violator has requested a hearing after receipt of the second letter, thirty (30) days after that hearing if the merits of the matter are determined against the alleged Violator at the hearing, this will be considered a third violation for which a fine may be imposed. A third letter shall then be sent to the alleged Violator, explaining that a violation has been found to exist, and that a fine is imposed pursuant to this Policy. The alleged Violator shall not be entitled to advance notice of the fine or an opportunity for a hearing because, in connection with delivery of the second letter to the Violator, Violator shall have either not requested a hearing and therefore waived any right thereto, or shall have had a hearing at which the merits of the matter were determined against the alleged Violator.

13.7. **Continued Violation After Third Letter.** If the alleged Violator does not come into compliance within thirty (30) days of the third letter, this will be considered a fourth violation for which a fine may be imposed. A fourth letter shall then be sent to the alleged Violator, explaining that a violation has been found to exist, and that a fine is imposed pursuant to this Policy. Again, The alleged Violator shall not be entitled to advance notice of the fine or an opportunity for a hearing because, in connection with delivery of the second letter to the Violator, Violator shall have either not requested a hearing and therefore waived any right thereto, or shall have had a hearing at which the merits of the matter were determined against the alleged Violator.

13.8. **Notice of Hearing.** If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board (the "**Hearing Panel**"), may serve a written notice of the hearing to all parties involved at least ten (10) days prior to the hearing date. The Hearing Panel must be composed of "**Impartial**

**Decision Makers**". An Impartial Decision Maker but must be a person who does not receive any greater benefit or detriment from the outcome of the hearing than any other member of the Association.

13.9. **Hearing.** At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and, make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator are required to be in attendance at the hearing. The Hearing Panel shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Hearing Panel, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Hearing Panel shall, within a reasonable time, not to exceed ten (10) days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Hearing Panel members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

13.10. **Failure to Timely Request Hearing.** If the alleged Violator fails to request a hearing within ten (10) days of any letter, or fails to appear at any hearing, the Hearing Panel may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing if a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.

13.11. **Notification of Decision.** The decision of the Hearing Panel, shall be in writing and provided to the Violator and Complainant within ten (10) days of the hearing, or if no hearing is requested, within ten (10) days of the final decision.

13.12. **Fine Schedule.** See attached Exhibit A.

13.13. **Waiver of Fines.** The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or Rules.

13.14. **Other Enforcement Means.** This fine schedule, and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

13.15. **Design Review Violations.** Notwithstanding any provisions contained in these policies, in the event of any specific violations of Renovation Policies, Unit Expansion and similar rules and regulations or design guidelines, then enforcement provisions of such materials shall apply if they are inconsistent with the provisions of this Resolution.

13.16. **Limitations and Restrictions on the Association Enforcement of Covenants, Rules and Policies.** In all events, the following requirements, limitations and restrictions shall control and supersede any Policy that is inconsistent with the following provisions:

13.16.1. Fines assessed for violations of the declaration, bylaws, covenants, or other governing documents of the Association. An Association may only impose fines for violations in accordance with CIOA.

13.16.2. With respect to any violation of the declaration, bylaws, covenants, or other governing documents of an Association that the Association reasonably determines threatens the public safety or health, the Association shall provide the unit owner written notice, in English and in any language that the unit owner has indicated a preference for correspondence and notices pursuant to CIOA, of the violation informing the unit owner that the unit owner has seventy-two hours to cure the violation or the Association may fine the unit owner.

13.16.3. If, after an inspection of the unit, the Association determines that the unit owner has not cured the violation within seventy-two hours after receiving the notice, the Association may impose fines on the unit owner every other day and may take legal action against the unit owner for the violation; except that, in accordance with CIOA, the Association shall not pursue foreclosure against the unit owner based on fines owed.

13.16.4. If an Association reasonably determines that a unit owner committed a violation of the declaration, bylaws, covenants, or other governing documents of the Association, other than a violation that threatens the public safety or health, the Association shall, through certified mail, return receipt requested, provide the unit owner written notice, in English and in any language that the unit owner has indicated a preference for correspondence and notices pursuant to CIOA, of the violation informing the unit owner that the unit owner has thirty days to cure the violation or the Association, after conducting an inspection and determining that the unit owner has not cured the violation, may fine the unit owner; however, the total amount of fines imposed for the violation may not exceed five hundred dollars.

13.16.5. An Association shall grant a unit owner two consecutive thirty-day periods to cure a violation before the Association may take legal action against the unit owner for the violation. In accordance with CIOA, an Association shall not pursue foreclosure against the unit owner based on fines owed.

13.16.6. If the unit owner cures the violation within the period to cure afforded the unit owner, the unit owner may notify the Association of the cure and, if the unit owner sends with the notice visual evidence that the violation has been cured, the violation is deemed cured on the date that the unit owner sends the notice. If the unit owner's notice does not include visual evidence that the violation has been cured, the Association shall inspect the unit as soon as practicable to determine if the violation has been cured.

13.16.7. If the Association does not receive notice from the unit owner that the violation has been cured, the Association shall inspect the unit within seven days after the expiration of the thirty-day cure period to determine if the violation has been cured. If, after the inspection and whether or not the Association received notice from the unit owner that the violation was cured, the Association determines that the violation has not been cured:

- (a) a second thirty-day period to cure commences if only one thirty-day period to cure has elapsed; or
- (b) the Association may take legal action pursuant to this section if two thirty-day periods to cure have elapsed.

13.16.8. Once the unit owner cures a violation, the Association shall notify the

unit owner, in English and in any language that the unit owner has indicated a preference for correspondence and notices pursuant to CIOA:

- (a) that the unit owner will not be further fined with regard to the violation;
- and
- (b) of any outstanding fine balance that the unit owner still owes the Association.
- (c) on a monthly basis and by first-class mail and, if the Association has the relevant e-mail address, by e-mail, an Association shall send to each unit owner who has any outstanding balance owed the Association an itemized list of all assessments, fines, fees, and charges that the unit owner owes to the Association. The Association shall send the itemized list to the unit owner in English or in any language for which the unit owner has indicated a preference for correspondence and notices pursuant to CIOA and to any designated contact for the unit owner.

13.16.9. Collections of fines imposed by these Policies shall comply with the provisions of these policies regarding the collection of Assessments.

#### 14. **ALTERNATIVE DISPUTE RESOLUTIONS.**

14.1. **General.** It is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and a Unit Owner. Alternative Dispute Resolution (“ADR”) is defined as a procedure for settling a dispute by means other than litigation, such as mediation, non-binding arbitration, or binding arbitration.

14.2. **General Policy.** In the event of any dispute between the Association and an Owner, except for those exempted claims as defined herein, the parties are encouraged to undertake the alternative dispute resolution procedure under the Colorado Dispute Resolution Act, C.R.S. 13-22-301 et seq. The Association and the Owner shall agree to resolve the dispute using the procedure set forth herein prior to filing suit in any court or initiation proceedings before any administrative tribunal.

14.3. **Exempt Claims.** The following claims shall be exempt from the provision of these Policies:

- a) Any action by the Association against an Owner to collect assessments for other sums due to the Association, including foreclosure proceedings; and
- b) Any action by the Association to enforce any provisions of the Association’s Governing Documents.

14.4. **Procedures.** All claims, other than the Exempt Claims, shall be resolved using the following procedures prior to initiation of litigation:

- a) Notice, The Party having a claim (“Claimant”) against the other Party (“Respondent”) shall notify each Respondent in writing of the Claim (“Notice”) stating:
  - b) Nature of the Claim, including the time, date, location and persons involved and Respondent’s role in the Claim.
  - a) The basis of the Claim (i.e. the provisions of Governing Documents or other authority out of which the Claim arises).

- b) The result Claimant is seeking in resolution of the Claim.
- c) That the Claimant wishes to resolve the Claim by mutual agreement with the Respondent and is willing to meet in person at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

14.5. **Negotiation.** Prior to undertaking mediation, the parties shall make a reasonable effort to meet in person to resolve the Claim through good faith negotiation.

14.6. **Mediation.** In the event the parties fail to resolve the Claim through negotiations within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the parties) ("Termination of the Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation.

- a) Mediation shall be conducted by an independent mediation service agreed upon by both parties. Should the parties fail to agree on a mediator, then they shall follow steps outlined in Section 7 herein.

- b) In the event a Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim and Respondent shall be released and discharged from any and all liability to Claimant on account of the Claim.

- c) In the event the parties fail to settle the Claim within forty-five (45) days after submission of the matter to an independent, third party mediator or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the Parties met, that the Parties are at an impasse and the date that mediation was terminated.

14.7. **Arbitration or Litigation.** In the event the parties do not resolve the Claim through negotiation or mediation, within thirty (30) days after the Termination of Mediation, the Claimant may submit the Claim to arbitration in accordance with the appropriate rules of the American Arbitration Association. Alternatively, the Claimant may file an action in the court of appropriate jurisdiction. In the event the Claimant does not act, the Claim shall be deemed abandoned and the Respondent shall be released and discharged from any and all liability to Claimant arising out of the Claim, however, nothing herein shall release or discharge the Respondent from any liability to anyone not a party to the proceedings. This Policy is an agreement of the Association and Owners to arbitrate all Claims, except Exempt Claims, and is specifically enforceable under the applicable arbitration laws of the State of Colorado. If specifically agreed to by both parties to the arbitration, the arbitration shall be final and binding and judgment may be entered in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

14.8. **Selection of Mediator/Arbitrator.** Any mediation or arbitration pursued must be done so using a trained mediator, arbitrator, or facilitator having some familiarity with the governance of community Associations. If the parties to the mediation or arbitration cannot agree, within thirty (30) days of the request for mediation or arbitration, on the facilitator, mediator, arbitrator, or other qualified person to conduct the mediation or arbitration, then, within ten (10) days:

- a) Each party shall choose a qualified person as defined in this Policy, and those so selected shall then appoint a third qualified person to be determined in their sole discretion.
- b) In the event a party fails to select a qualified person as specified in subsection (a) above, the person selected by the other party shall be deemed acceptable to both parties and shall act as the facilitator, arbitrator, or mediator.

14.9. **Costs.** If the Claim is resolved through negotiation or mediation as provided above, each party shall bear all of its own costs incurred in resolving the Claim, including its attorney fees and mediation expenses, unless the parties otherwise agree. In the event the Claim is not resolved through negotiation or mediation as provided above and the Claim goes to arbitration, the prevailing party shall be entitled to receive, as part of its award from the opposing party, all of its costs including reasonable attorneys' fees, costs for other representatives in resolving such Claim and any expenses incurred as a result of the dispute resolution procedures of this Policy.

14.10. **Failure to Comply with Settlement.** In the event the parties resolve any Claim through negotiation, mediation or arbitration as set forth above and a party subsequently fails to abide by the terms of such agreement or award, then the non-complying party may file suit or initiate administrative proceedings to enforce such agreement or award without the need to comply with the provisions of this Policy. In such event, the party taking action to enforce the agreement or award shall be entitled to recover from the non-complying party all costs incurred in enforcing such agreement or award, including without limitation, reasonable attorneys' fees and costs.

15. **COMMUNICATIONS/SOCIAL MEDIA POLICIES.** The Association recognizes that clear, consistent, and positive communication between the Association leadership and the homeowners are important to the success of the Association and by extension the preservation of the quality and well-being of the community. The terms of this policy are not intended to abridge or modify any specific communication method required by law and/or the Association's Governing Documents, including any other duly adopted rule or regulation.

15.1. **Communication Channels.** The primary media channels will be as follows:

A. Regular and Special Board Meetings, where all residents are encouraged to attend and give feedback.

B. A formal/official email address that will be owned, administered and used by the Association, which the Association shall use to provide for formal notices and communications to Owner/Members, which email address is [telluridelodgehoa@gmail.com](mailto:telluridelodgehoa@gmail.com) ("**Official Association Email**")

C. The Association website is <https://telluridelodgehoa.org/>

D. An unofficial email address that will be owned and administered by the Association, which the Association shall use to send communications from one or a few members/owners to the entire membership, in the manner provided for herein, which email address is [tlhoamembers@gmail.com](mailto:tlhoamembers@gmail.com) ("**Unofficial Association Email**").

E. Secondary media shall be used when appropriate to ensure broad notification to Homeowners and will include postings at the Association Office and the use of US Mail or email (when an email address is provided) or US Mail for important correspondence like official notices and related materials.

15.2. **E-Mail Announcements.**

A. An up-to-date directory of homeowner e-mail addresses shall be maintained by the Association. E-mail addresses provided by Owners to the Board and/or Association will be treated and maintained as "private/not for further distribution".

B. Only the Board or the Manager shall be authorized to send out mass e-mails to the Owners using the most current e-mail address directory. The Board shall use the Official Association Email when distributing official Association matters, which would include, but not be limited to: Board/Annual Meeting Announcements with agenda, Board Meeting Minutes website link, necessary reminders of Association policies, community announcements, other pertinent information useful to the membership as determined by the Board.

C. An Association Owner/Member may request the Board to send an email containing communication on their behalf to all of the Owner/Member, which the Association in the exercise of its reasonable discretion will send to all of the Owner/Member using the Unofficial Association Email. Communications requested to be sent to the Owner/Member must meet the content requirements and restrictions noted herein. Based upon community feedback, Owners are requested to not send mass emails to owners and rather have them circulated through the Association as stated above.

D. The e-mail announcement platform shall not be used to discuss homeowner complaints or discussion of policy or other Association issues. An Owner with such complaints shall send their comments and concerns to the Board, which the Board would consider and may elect to include as an agenda item at a future board meeting.

E. All communication shall be done in a professional and civil manner – no name calling, threats, etc.

#### 15.3. **Website.**

A. The Board recognizes that the Internet provides an efficient and effective method of communicating information to homeowners. To this end, the Board authorizes one website as the official link of the Association. The website is located at <https://telluridelodgehoa.org/>. The purpose of the website is intended to serve as a platform which to distribute official Association information to homeowners in a timely, cost-efficient manner. The website shall also serve as a conduit for information to flow from homeowners to Association leadership.

B. The Association may, but need not elect to create and implement an online Message Board, which would be a tool that enables community dialog and information sharing.

C. The Board or its agents/designees is responsible for ensuring the Association website is operational, maintained, and that terms and conditions of use are adhered to by users and administrators.

D. Content. The Association website shall contain the following:

- i. Association may, but need not elect to create a Board blog to inform citizens of community issues, notices, and other Association business
- ii. Owner annual and special meetings announcements and minutes
- iii. Board meetings announcements and minutes
- iv. Links to Association documents, including copies of current financial reports, Association Declaration, Plats, Bylaws, Rules/Regulations, Guidelines
- v. Email contact information for Board of Directors and Manager
- vi. Announcements about Association affairs and matters

15.4. **Terms and Limitations of Use.** The Association wants to promote a friendly, informative and enjoyable online experience for the Owner/Member of its community. Failure to abide by the Terms and Conditions of Use is grounds for denial of distribution or access to emails and other forms of communications. Communication platforms are provided as a service to Owners. By requesting

and using email distributions, the user agrees to abide by the Terms and Conditions of Use. A valid email address is required to register to request the usage of the Unofficial Association Email. Users are expected to demonstrate respect for others and for the opinions expressed in their email. Impersonating another user and/or accessing or attempting to access another user's account is prohibited and grounds for denial of access. The Association shall monitor the message it is being requested to distribute to other Owner/Members and content and comments containing any of the following are not allowed for posting on our closed group pages and will be removed as soon as possible:

- Profane, defamatory, offensive or violent language or content;
- E-mail message content from the Board or any Owner requests shall **NOT** include: political policy and/or candidate announcements of support/opposition, commercially vested interest announcements, other personal opinions/discussions, and other content as decided by the Board that does not benefit the entire association or otherwise meet the Terms and Limitations of Use.
- Personal attacks on individuals or specific groups;
- "Trolling", or posting deliberately disruptive comments meant to harass, threaten or abuse an individual or business;
- Spam, link or click baiting, or files containing viruses that could damage the operation of other people's computers or mobile devices;
- Content that promotes, fosters or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, status with regard to public assistance, national origin, physical or mental disability or sexual orientation, or any other form of discrimination, in the sole discretion of the Association;
- Sexual content or links to sexual content;
- Conduct or encouragement of illegal, harmful or offensive activity;
- Acknowledgement of intent to stalk an individual or business, or collect private information without disclosure;
- Content for the purposes of promoting or advertising a person, product, service or brand;
- Content that relates to confidential or proprietary business information;
- Content that violates a legal ownership interest or proprietary business information of any other party, which includes violation of copyright or intellectual property rights;
- Content determined to be inappropriate, in poor taste, or otherwise contrary to the purposes of this forum, in the sole discretion of the Association;

#### 15.5. User Grievances

- If a user reasonably believes they have been unfairly denied access to the use of the Unofficial Association Email they may appeal to the Board.
- An appeal may be made by email or in writing.
- The appeal should include the user's name, the date of the event, a description of the message in question, a description of the moderator's action, and a summary indicating how and why the message that was rejected otherwise complied with these policies.
- The burden of proof and persuasion for a challenge is assigned to the user who is bringing a challenge.
- The Board of Directors will consider properly submitted appeals and respond to the grievant party within a reasonable period of time.

16. Policies Concerning Amendments to Condominium Declaration and Map. Section 12.4 of the Amended and Restated Declaration For Telluride Lodge addresses how an amendment to the Declaration and/or Map are to occur. These policies are intended to address certain procedural aspects of



the Declaration and Map Amendment process in addition to those contained in the Amended and Restated Declaration:

16.1. The Board, in the exercise of its reasonable discretion, shall determine and direct the following matters:

- a. The sufficiency of the declaration amendment or map amendment, provided that in the event an Owner is initiating the amendment, the Association will not undertake a review to determine if the measure is acceptable or unacceptable; rather the Board shall review the document to determine if it would be legally sufficient and compliant with the Telluride Lodge Governing Documents if approved.
- b. The form and content of a ballot.
- c. The manner and method for how ballots are to be circulated to the Owners.
- d. The timeframe for when ballots would need to be returned to the Association to be counted, which generally shall not be less than 30 days nor greater than 60 days, unless otherwise approved by the Owner proposing the amendment and the Association.
- e. The person to whom a ballot is to be returned and the manner for the ballot to be transmitted.
- f. Where the Amended and Restated Declaration or CIOA requires voting percentages to adopt an amendment to the Declaration or Map, the Association shall review owner ballots or consents and determine if the requisite percentage of affirmative votes, where the numerator is the number of votes in favor of the proposed amendment and the denominator is the potential total number of all Allocated Voting Rights. The denominator shall not be the total number of votes that have been exercised by Owners, it must be based upon all potential votes.
- g. The person that will count votes and the manner that the results will be reported to the Association membership

16.2. Owners seeking to advocate for or against a Declaration or Map amendment shall adhere to the Communication Policies and shall not pursue practices that result in the harassment or annoyance of other Owners.

17. **ADMINISTRATION OF STAFF, CONTRACTORS AND CONSULTANTS.** All employees, consultants and/or contractors retained by the Association shall be approved by the Board and the services shall be administered by the President or a majority of the Board, should the President have a conflict of interest or fail to otherwise act in a commercially reasonable manner. No Board member or Owner shall seek to direct or otherwise administer the work and actions of an Association employee, consultant and/or contractor without the approval of the Board.

18. **MISCELLANEOUS.**

18.1. **Conflict of Documents.** In the event of a specific conflict between the Governing Documents and these Policies, the Governing Documents shall prevail, unless the provisions of these Policies are required by applicable law.

18.2. **Email Notices.** Notices and invoices may be sent by the Association to Owners via email unless the Owner requests a different method.

18.3. **Modification, Amendment, Repeal, Re-enactment.** Notwithstanding anything to the contrary contained in these Policies, the Association hereby reserves the right, at any time and from time to time hereafter, to modify, amend, repeal and/or re-enact these Policies. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy:

18.3.1. **Drafting Procedure.** The Board shall consider the following in drafting the Policy: (a) whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy; (b) the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and (c) the immediate and long-term impact and implications of the Policy.

18.3.2. **Notice and Comment.** A copy of the proposed Policy shall be provided to all Owners and Owners shall be allowed a minimum of thirty (30) days to provide comment and/or feedback on the proposed Policy. Actions regarding Policies shall also be listed on the agenda for the Board meeting prior to adoption by the Board and any Owner who wishes to comment on the proposed Policy changes shall be afforded such opportunity in compliance with Colorado law.

18.3.3. **Emergency.** The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy.

18.3.4. **Adoption Procedure.** After the period for Owner comment expires, the Board may adopt, amend, modify, repeal or re-enact any Policy by majority vote. Upon adoption, amendment, modification, repeal or re-enactment of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board.

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

18.5. **Definitions.** Unless otherwise defined in these Policies, initially capitalized or terms defined in the Declaration and Bylaws shall have the same meaning herein.

18.6. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Governing Documents and the applicable laws of the State of Colorado governing Association.

18.7. **Deviations.** The Board may deviate from the procedures set forth in these Policies if in its sole discretion such deviation is reasonable under the circumstances.

18.8. **Severability.** The provisions of these Policies 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 Board of Directors hereby approves the Governance Policies pursuant to the power, authority and requirements provided for in the Governing Documents and in accordance with applicable Colorado law and makes them effective as of March 27<sup>th</sup>, 2023

The Governance Policies may periodically be revised or amended from time to time by the Association.

**The Telluride Lodge,  
a Colorado nonprofit corporation**

By: 

Printed Name: Andrew Davis

Title: **President**