

# PRELIMINARY

**POLICIES AND PROCEDURES  
OF  
THE BREEZE PLACE HOMEOWNER’S ASSOCIATION  
(A Common Interest Community)**

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# PRELIMINARY

## POLICY AND PROCEDURES FOR THE ADOPTION OF POLICIES

### THE BREEZE PLACE HOMEOWNER'S ASSOCIATION

The Association's policies and procedures for the adoption of policies, procedures, rules, regulations, or guidelines shall be as set for herein.

- (a) **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 provisions in other documents, or as may be required by law. In order to ensure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.
- (b) **Drafting Procedure.** The Board shall consider the following in drafting the Policy:
  - (i) whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;
  - (ii) the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
  - (iii) the immediate and long-term impact and implications of the Policy.
- (c) **Notice.** A copy of the proposed Policy may be posted on the Association's website prior to adoption by the Board.
- (d) **Adoption Procedure.** Upon adoption of a Policy, a copy of the Policy (including the effective date) shall be promptly delivered or mailed to all Owners. Additionally, the Policy may be posted on the Association's website.
- (e) **Policy Book.** The Board shall keep records of any and all adopted Policies with the governing documents of the Association.

### PRESIDENT'S CERTIFICATION:

The undersigned, being the President of THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on \_\_\_\_\_ and in witness thereof, has subscribed his or her name.

**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, INC.,**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
President

### POLICIES AND PROCEDURES FOR THE CONDUCT OF MEETINGS

# PRELIMINARY

## THE BREEZE PLACE HOMEOWNER'S ASSOCIATION

The Association's policies and procedures for the conduct of meetings shall be as set forth herein.

(a) **Owner Meetings.** Meetings of the Owners of the Association shall be called and conducted in accordance with the Bylaws of the Association.

**(b) Notice.**

- (i) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be physically posted in a conspicuous location within the community at least seven (7) days prior to each such meeting, or as may otherwise be required by Colorado law.
- (ii) The Association shall also post notice on its website, if any, of all meetings. Such notice shall be posted at least seven (7) days prior to such meeting.

**(c) Conduct.**

All Owner meetings shall be governed by the following rules of conduct and order:

1. The President of the Association or designee shall chair all Owner meetings.
2. All Owners and persons who attend a meeting of the Owners will sign in, present any proxies, and receive ballots as appropriate.
3. Any person desiring to speak shall sign up on the list provided at check in and indicate if he or she is for or against an agenda item.
4. Anyone wishing to speak must first be recognized by the Chair.
5. Only one person may speak at a time.
6. Each person who speaks shall first state his or her name and Lot address.
7. Any person who is represented at the meeting by another person, as indicated by a valid proxy, will be permitted to have such person speak for him or her.
8. Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
9. 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.
10. Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to ask 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, but shall be uniform for all persons addressing the meeting.
11. All actions and decisions will require a first and second motion.
12. Once a vote has been taken, there will be no further discussion regarding that topic.

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13. So as to allow for and encourage full discussion by Owners, no meeting may be audio, video, or otherwise recorded. Minutes of actions taken shall be kept by the Association.
14. 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.
15. The Chair may establish such additional rules of order as may be necessary from time to time.

(d) **Board Meetings.** Meetings of the Board of the Association shall be called and conducted in accordance with the Bylaws of the Association.

(e) **Conduct.**

All Board meetings shall be governed by the following rules of conduct and order:

1. The President of the Association, or designee, shall chair all Board meetings.
2. All persons who attend a meeting of the Board shall be required to sign in, listing their name and lot address.
3. All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate so at the time of sign in.
4. Anyone desiring to speak shall first be recognized by the Chair.
5. Only one person may speak at a time.
6. Each person speaking shall first state his or her name and Lot address.
7. Any person who is represented by another person as indicated by a valid proxy at the meeting shall be permitted to have such person speak for them.
8. Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
9. 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 or issue at hand.
10. Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may increase or decrease by the Chair but shall be uniform for all persons addressing the meeting.
11. No meeting of the Board may be audio, video, or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

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12. Anyone disrupting the meeting, as determined by the Chair, shall be asked to “come to order”. Anyone who does not come to order shall be requested to immediately leave the meeting.

- (f) **Owner Input.** At a time determined by the Board, but prior to a vote by the Directors, Owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion as follows:
  - (i) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.
  - (ii) Following Owner input, the Chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board votes to open the discussion to further Owner participation.

## **PRESIDENT’S CERTIFICATION:**

The undersigned, being the President of THE BREEZE PLACE HOMEOWNER’S ASSOCIATION, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on \_\_\_\_\_ and in witness thereof, has subscribed his or her name.

**THE BREEZE PLACE HOMEOWNER’S ASSOCIATION, INC.,**  
**a Colorado nonprofit corporation**

By: \_\_\_\_\_  
President

# PRELIMINARY

## POLICIES AND PROCEDURES REGARDING BOARD MEMBER CONFLICTS OF INTEREST

### THE BREEZE PLACE HOMEOWNER'S ASSOCIATION

The Association's policies and procedures regarding conflicts of interest of members of the Board of Directors shall be as set forth herein.

**General Duty.** The Board of Directors shall use its best 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 Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.

Definitions.

- (i) "Director" means a member of the Association's Board of Directors.
- (ii) "Party related to a Director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director has beneficial interest, or an entity in which a party related to a Director is a director or officer or has a financial interest.
- (iii) "Conflicting interest transaction" means any Action meeting the definition of a conflict of interest as set forth in the Bylaws.

**Loans.** No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be personally liable to the Association for the amount of the loan until it is repaid.

**Declaration of Conflict of Interest.** In the event a conflict of interest exists, then that interested member of the Board of Directors or the Board of Directors, as the case may be, shall declare that a conflict of interest exists. The interested member of the Board of Directors shall declare the conflict of interest as soon as is reasonably practicable upon the introduction of a motion or discussion regarding the action, and shall describe in detail all of the particular facts of the conflict of interest. The declaration of a conflict of interest may be set forth in writing by the interested member or the Board of Directors, in which case the written description of the conflict shall be read aloud into the record by a disinterested member, or may be presented verbally.

**Vote of Interested Member.** After a conflict of interest is declared, the interested member may not participate in a discussion of the matter giving rise to the conflict of interest nor vote on the Action. The interested member of the Board of Directors may be counted for purposes of determining quorum. In the event multiple members of the Board of Directors declare or are declared to have a conflict of interest, the affirmative vote of a majority of the remaining members shall constitute an act of the Board of Directors.

**Code of Ethics.** In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

- No Director shall use his or her position for private gain, including for the purpose of enhancement of his or her financial status through the use of certain contractors or suppliers.
- No contributions will be made to any political parties or political candidates by the Association.

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- No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
- No Director shall accept a gift or favor made with intent of influencing decision or action on any official matter.
- No Director shall receive any compensation from the Association for acting as a volunteer.
- No Director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.
- No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.
- No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.
- No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
- Any Director convicted of a felony shall voluntarily resign from his or her position.
- No Director shall knowingly misrepresent any facts to anyone involved in any way with the community which would benefit himself or herself in any way.
- Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.

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**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, INC.,**  
**a Colorado nonprofit corporation**

By: \_\_\_\_\_  
President

**POLICY ON BASELINE RESERVE STUDY**

**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION**

# PRELIMINARY

The Association shall, within twelve months of the adoption of this Policy, conduct a baseline reserve study, which will include both a physical analysis and a financial analysis as follows:

## **A. The physical analysis shall include:**

- (1) A component inventory identifying those portions of the Community the Association is obligated to maintain, including the useful life of each component.
- (2) A condition assessment of each component on the component inventory by on-site inspection.
- (3) Estimates of the remaining useful life and replacement costs of each component.

## **B. The financial analysis shall include:**

- (1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.
- (2) A future funding plan to meet the requirements of the reserve study.

## **C. Update of the Reserve Study.**

- (1) The Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated by a reserve study specialist at least every three years to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. In determining whether an update to the reserve study is needed more often than every three years, the Association shall consider the following:
  - Whether the Association added or replaced any significant common elements.
  - Whether the common elements sustained extreme wear and tear from harsh weather or lack of maintenance.
  - Whether local inflation for materials and labor has substantially increased.
  - Whether the Association has deferred any replacements or moved up replacements from the scheduled dates of replacement.
  - Whether reserve income and expenses have occurred as planned.
  - Whether there have been any new technological changes or improved product development that might result in a component change.
- (2) In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:
  - Any special or extraordinary issues facing the community (such as an increase in roof leaks or other maintenance issues).
  - Increased deterioration in any components beyond normal wear and tear.
  - Economic changes that affect the replacement cost of any component.
  - Whether routine maintenance of the components has been maintained.

**D. Funding of the Reserve Study.** The financial requirements depicted in the reserve study will be funded through regular 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.

## **PRESIDENT'S CERTIFICATION:**



# PRELIMINARY

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**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, INC.,**  
**a Colorado nonprofit corporation**

By: \_\_\_\_\_  
President

# PRELIMINARY

## POLICIES AND PROCEDURES FOR THE INVESTMENT OF RESERVE FUNDS

### THE BREEZE PLACE HOMEOWNER'S ASSOCIATION

The Association's policies and procedures for the investment of reserve funds shall be as set forth herein.

1. **Scope.** In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of the Owners' Lots and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.
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.
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:
  - **Safety of Principal.** Promote and ensure the preservation of the reserve fund's principal.
  - **Liquidity and Accessibility.** Structure maturities to ensure availability of assets for projected or unexpected expenditures.
  - **Minimal Costs.** Investments costs (redemption fees, commissions and other transactional costs) should be minimized.
  - **Diversify.** Mitigate the effects of interest rate volatility upon reserve assets.
  - **Return.** Funds should be invested to seek the highest level of return.
4. **Limitation on Investments.** Unless otherwise approved by the Board, all investments shall be made pursuant to the Association's Investment Policy Statement.
5. **Investment 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.
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.
7. **Review and Control.** The Board shall review Reserve Fund investments periodically to ensure that the funds are received competitive yields and shall make prudent adjustments as needed.

# PRELIMINARY

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**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, INC.,**  
**a Colorado nonprofit corporation**

By: \_\_\_\_\_  
President

**PRELIMINARY**  
**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, INC.**

**COLLECTION POLICY AND PROCEDURE**

The following Collection Policy and Procedure is adopted by the Board of Directors of THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, Inc. ("BPHA"). The Board of Directors is authorized by the Declaration of Covenants, Conditions and Restrictions of The Breeze Place (the "Declaration") and by the Colorado Common Interest Ownership Act ("CCIOA") for the implementation and clarification of the requirements contained in the Declaration, enforceable as provided therein. To the extent provisions contained in other governing documents of BPHA conflict with this Policy or with CCIOA, this Policy and applicable CCIOA provisions shall control. The Board of Directors reserves the right to amend these policies and procedures at any time.

**ARTICLE I.            Purpose**

The purpose of this policy is to provide notice of BPHA's procedure for the collection of assessments and other charges imposed by BPHA in compliance with the applicable provisions of CCIOA.

**ARTICLE II.            Due Dates, Late Charges, Interest, Fees, Liens, Suspensions**

Section 2.01        Due Dates

- A. Regular assessments are imposed on an annual basis.
- B. All other assessments, fees, fines, or charges are due and payable as set forth in the notice provided by BPHA or other applicable policies.
- C. Payments are deemed received by BPHA on the date the payment is received in the BPHA Office with the Owner's name or BPHA lot address identified on or with the payment.
- D. Any payment not paid in full on the applicable due date is past due and delinquent.

Section 2.02        Late Charges and Interest

- A. A late charge in the amount of \$50.00 per month, or portion thereof, is due for all assessments, fees, fines, and charges not paid in full by the due date until the same is paid in full.
- B. In addition to late charges, all assessments, fees, fines, and charges will accrue interest at the rate of 8% per annum from the date of delinquency until paid.
- C. All late charges and interest are (a) imposed without further notice to the Owner; (b) are the personal obligation of the Owner; and (c) are a lien on the Owner's property.

Section 2.03        Administrative Expenses

Administrative collection costs incurred by BPHA for delinquent accounts are the obligation of the delinquent Owner and shall be added to the Owner's account. Such administrative collection costs include, but are not limited to, the cost of certified mailings, the costs of translating any notices to a language other than English, and the cost incurred to physically post a notice as required by CCIOA. Administrative collection costs are the personal obligation of the Owner and are a lien on the Owner's property.

Section 2.04        Returned Check Charges

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- A. If any check or other instrument payment to BPHA or for its benefit is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to BPHA for one of the following amounts, at the option of BPHA:
1. An amount equal to the face amount of the check, draft, or money order, and a return check charge of: (a) \$20.00 or (b) an amount equal to the actual charges incurred by the Association levied by the party returning the check, whichever is greater; or
  2. If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft, or money order will be liable to BPHA for three times the face amount of the check, but not less than \$100.00.
- B. If two or more of Owner's checks are returned, BPHA may, at its option, require that all future payments from such Owner be made by electronic transfer or by certified check.

## Section 2.05      Attorney Fees and Collection Costs

As an additional expense permitted under the Declaration and by Colorado law, BPHA is entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due to BPHA from a delinquent Owner. The attorney fees and collection costs incurred by BPHA shall be due and payable immediately when incurred, upon demand.

## Section 2.06      Liens

Pursuant to Colorado law and the BPHA Declaration, amounts due by an Owner to BPHA constitute a lien on the Owner's property. BPHA may record a Notice of Lien in the records of the Grand County Clerk & Recorder at any time after a payment due becomes delinquent. Provided, however, that BPHA shall not record a lien for failure to pay the annual assessment until the same remains unpaid for at least 60 days after the due date.

## Section 2.07      Suspension of Membership Rights

In accordance with the BPHA Bylaws, in addition to the collection remedies in this policy, an Owner's rights as a member of BPHA may be suspended by the Board of Directors upon becoming delinquent in any payment due to BPHA. Suspension of membership rights includes suspension of the right to vote on any matter that comes before the membership and the right to use or access any BPHA facilities.

## **Article III.**                      **Collection Process**

### Section 3.01      First Notice – Courtesy Notice

After an installment of the annual assessment or other charges due to BPHA becomes delinquent, BPHA shall send a written courtesy reminder ("First Notice") of non-payment, including the amount past due, notice that interest and late fees have accrued and request for immediate payment. This First Notice shall be sent by regular first-class mail and by email if BPHA has an email address on file for the Owner.

### Section 3.02      Second Notice – Notice of Delinquency

After an installment of an annual assessment or other charges due to BPHA becomes more than 30 days delinquent, BPHA shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment. The Notice shall include the following:

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- A. The total amount due to BPHA along with an accounting of how the total amount was determined.
- B. Whether the Owner may enter a payment plan and instructions for contacting BPHA to arrange a repayment plan. Additional information regarding payment plans is contained in Section 3.04 below.
- C. The name and contact information for an individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.
- D. A statement indicating that action is required to cure the delinquency and that failure to do so within 30 days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or any other remedies available under Colorado Law including revocation of the Owner's right to vote in accordance with the Bylaws and Declaration.
- E. Specify whether the delinquency concerns unpaid assessments; unpaid fines, fees, or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Owner that unpaid assessments may lead to foreclosure.
- F. Include a description of the steps BPHA must take before BPHA may take legal action against the Owner, including a description of BPHA's covenant violation cure process as laid out in BPHA's Covenant and Rule Enforcement Policy and Procedures.
- G. Include a description of what legal action BPHA may take against the Owner, including a description of the types of matters that BPHA or Owner may take to Small Claims Court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the Bylaws, Declaration, or other governing documents of BPHA.

## Section 3.03      Second Notice – Manner of Notice

The Second Notice described in Section 3.02 will be provided to Owners in the following ways:

- A. Certified mail, return receipt requested; *AND*
- B. Physically posted on the Owner's property at BPHA; *AND*
- C. By one of the following methods:
  - i. First-class mail; or
  - ii. Text message to a cellular number that BPHA has on file because the Owner has provided the cellular number to BPHA; or
  - iii. Email to an email address that the Association has on file because the Owner has provided the email address to the Association.

## Section 3.04      Payment Plan

Any Owner who becomes delinquent in the payment of assessments may enter a repayment plan with BPHA. Before BPHA turns over a delinquent account to a collection agency or attorney, it will make a good faith effort to agree to a repayment plan with the Owner, subject to the following:

- A. Eligibility. To be eligible to enter a repayment plan:
  - i. The Owner cannot have previously entered a repayment plan with BPHA.

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- ii. The Owner cannot be one who does not occupy the property and acquired the property because of a default of a security interest encumbering the property or a foreclosure of BPHA's lien.
- B. Payment Plan Terms. An Owner may enter a plan to repay the delinquency in equal monthly installments over a minimum period of 18 months, or such longer period as the Board may authorize. The Owner can choose to pay more over a shorter installment period. If the amount of the delinquency is such that 18 equal payments would be less than \$25.00 per month, then the amount of the monthly payment is in the Owner's discretion, so long as each monthly payment is a minimum of \$25.00. An Owner who has entered a repayment plan can choose to pay the remaining balance owed under the plan at any time during the plan.
  - C. Acceptance of Repayment Plan. Within 30 days after BPHA offers a repayment plan, the Owner must provide BPHA with written notice that it either accepts or rejects the plan. If an Owners fails to either accept or reject an offered plan within 30 days of its offer, the repayment plan shall be deemed to have been declined. If the repayment plan is not accepted, BPHA may pursue its other remedies under this Policy, including referral to a collection agency or attorney, without further notice to the Owner.
  - D. Termination of Repayment Plan. If an Owner has accepted a repayment plan, the plan shall automatically terminate and be null and void if either of the following occurs during the term of the plan:
    - i. After accepting the plan, the Owner fails to make at least 3 monthly installments within 15 days after the installments were due; or
    - ii. The Owner fails to pay in full when due any ongoing assessments. Any repayment plan is ONLY for delinquent assessments and does not include future assessments. Such future assessments must be paid on time and separately from payments under the repayment plan
  - E. Consequences of Termination. If a payment plan is terminated under paragraph 3.04(D) above, BPHA may pursue its other remedies under this Policy, including referral to a collection agency or attorney, without further notice to the Owner.

## Section 3.05 Application of Payments

All payments received on the account of any Owner or the Owner's property shall be applied in the following manner: first to the payment of any assessments owed, then to any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Bylaws, Rules and Regulations, or this Policy.

## Section 3.06 Referral for Collection Action

After an installment of an annual assessment or other charges due to BPHA becomes 60 days or more delinquent, BPHA shall turn the account over to a collection agency or to BPHA's attorney for legal action in accordance with the following provisions:

- A. Before a delinquent account is referred to a collection agency or attorney, a majority of the Board must first vote to refer the matter by recorded vote conducted in executive session.
- B. After a delinquent account has been turned over to a collection agency or BPHA's attorney, all communication with the Owner will be through the agency or attorney. Neither the BPHA manager or any Board member will discuss the collection account with the Owner directly.
- C. Action by a collection agency or BPHA's attorney may include any of the following:

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- i. Lien Notice. A notice of lien may be recorded against the delinquent Owner's property if BPHA has not previously recorded a lien for the given delinquency. The purpose of the lien notice is to provide record notice of BPHA's claim against the property.
- ii. Lawsuit. A lawsuit may be filed against the Owner seeking a money judgment. If a personal judgment is entered against the delinquent Owner, BPHA may then pursue further remedies such as garnishing the Owner's wages or bank account to collect the judgment amounts.
- iii. Judicial Foreclosure. BPHA may foreclose on its lien instead of, or in addition to, suing the Owner for a money judgment. If BPHA forecloses on its lien, the Owner will lose ownership of the property. BPHA's option to foreclose on its lien is subject to the following:
  - a. BPHA will not pursue foreclosure unless the balance of the assessments and charges owed to BPHA and secured by the lien equals or exceeds 6 months of common expense assessments based on BPHA's budget.
  - b. BPHA will not pursue foreclosure if the amounts owed to BPHA consist only of one or both of the following: (i) fines, or (ii) collections costs or attorney fees that BPHA has incurred and that are only associated with fines assessed for violations of the Declaration, Rules, or other Policies (other than the requirement to pay assessments).
  - c. Prior to filing a foreclosure action, a majority of the Board must first vote to authorize the filing of a foreclosure action against the particular lot by recorded vote conducted in executive session.
- iv. Receivership. BPHA may request the appointment of a receiver. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property and collects the rents according to the court's order. The purpose of a receivership is for BPHA to obtain payment of current assessments, reduce past-due assessments, and prevent waste or deterioration of the property.
- v. Bankruptcy Filings. If an Owner files for bankruptcy, BPHA may file all necessary claims, documents and motions in Bankruptcy Court to protect BPHA's claim and its right to pursue collection.

## Section 3.07 Monthly Statements

- A. In addition to the steps outlined above, even after the Owner has been sent to a collection agency or attorney, on a monthly basis, BPHA shall send any Owner owing any outstanding balance an itemized list of all assessments, fines, fees, and charges that the Owner owes BPHA. A ledger going back to the last zero balance can satisfy this requirement.
- B. This monthly notice may not contain additional legal fees and legal costs that have been incurred by BPHA but have not yet been posted to the ledger. Once the Owner's account has been referred to a collection agency or an attorney, the Owner is required to communicate with the agency or attorney to obtain the most up to date balance.
- C. This monthly notice shall be sent to the Owner by first class mail and by email if the Owner has provided BPHA with an email address.

## Section 3.0 Records of Contact



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BPHA shall maintain a record of any contacts it makes with an Owner pursuant to this Policy, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made. Such a record need not be made available to all Owners in accordance with applicable Colorado law.

## **ARTICLE IV**                    **Language and Designated Contacts**

### Section 4.01      Owner's Preferred Language

An Owner may notify BPHA in writing if the Owner prefers that correspondence and notices from BPHA under this Policy be made in a language other than English. If BPHA is not so notified, it shall send the correspondence and notices in English. If the Owner has notified BPHA in writing of a preference other than English, any notices or letters sent pursuant to this Policy shall be sent both in English and in the preferred language.

### Section 4.02      Designated Contact

An Owner may identify another person to serve as a designated contact for the Owner to be contacted on the Owner's behalf. To identify a designated contact, the Owner must provide BPHA in writing notice of the contact's name and mailing address, and, if available, telephone number and email. If the Owner identifies a designated contact, BPHA shall send any collection correspondence and notices to both the Owner and their designated contact. If the Owner also has notified BPHA in writing of a preference for a language other than English, BPHA shall send the Owner the correspondence or notice in the preferred language and in English and the designated contact the correspondence or notice in English. In the event that an Owner is sent to an attorney, all communication will be directly with the Owner until or unless the Owner expressly permits the attorney to discuss with the designated contact.

## **ARTICLE V**                    **Miscellaneous Provisions**

### Section 5.01      Certificate of Status Assessment

- A. BPHA shall furnish to an Owner or such Owner's designee upon the Owner or designee's written request to BPHA, made via first class postage prepaid, return receipt requested mail, a written statement from BPHA, setting forth the amount of unpaid assessments currently levied against such Owner's property, to be delivered personally or by certified mail, first class-postage prepaid, return receipt requested, and at no charge to Owner. However, if the account has been turned over to an attorney, such request may be handled by the attorney.
- B. A status letter provided to a title company or mortgage company in anticipation of a sale of the property or a refinance of the mortgage will provide additional information beyond a statement of the total amount due and as such any charges incurred by the Association for providing a status letter shall be charged to the Owner.

### Section 5.02      Waivers

BPHA is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as it shall determine appropriate under the circumstances. Failure of BPHA to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

### Section 5.03      Policy Supplements Other Provisions

The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the laws of the State of Colorado governing BPHA.

### Section 5.04      Deviations from Policy

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The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

Section 5.05 Amendment of Policy

This Policy may be amended from time to time by the BPHA Board of Directors.

**CERTIFICATION OF ADOPTION**

The undersigned certify the foregoing Policy was adopted by the Board of Directors of THE BREEZE PLACE HOMEOWNER’S ASSOCIATION, Inc., at a duly called and held meeting of the Board of Directors on \_\_\_\_\_ and in witness thereof, the undersigned have subscribed their names.

THE BREEZE PLACE HOMEOWNER’S ASSOCIATION, INC.  
A Colorado Non-Profit Corporation

By: \_\_\_\_\_  
President  
BPHA Board of Directors

# PRELIMINARY

## Policy and Procedures for Covenant and Rule Enforcement

### THE BREEZE PLACE HOMEOWNER'S ASSOCIATION

The policies and procedures for the enforcement of the governing documents of the Breeze Place Homeowner's Association ("BPHA"), including notice, cure, and hearing procedures and the schedule of fines, shall be as set forth herein.

1. **Reporting Violations.** Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's Manager or management company, if any, Board member(s) or committee member(s) by submission of a written complaint.
2. **Complaints.**
  - (i) Complaints by Owners or residents shall be in writing and submitted to the Board. 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;
  - (ii) Complaints by a member of the Board of Directors may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by a Director.
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 a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.
4. **Emergency Violations.** With respect to any violation of the BPHA's governing documents that BPHA reasonably determines threatens the public safety or health, BPHA shall provide the lot owner written notice, in English and in any language that the lot owner has indicated a preference for correspondence and notices, of the violation informing the lot owner that the lot owner has seventy-two hours to cure the violation or BPHA may fine the lot owner.

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

5. **Non-Emergency Violations.** If it is reasonably determined that a lot owner committed a violation of the other governing documents of BPHA, other than a violation that threatens the public safety or health, BPHA shall, through certified mail, return receipt requested, provide the lot owner written notice, in English and in any language that the lot owner has indicated a preference for correspondence and notices, of the violation informing the lot owner that the lot owner has thirty days to cure the violation or BPHA, after conducting an inspection and determining that the lot owner has not cured the violation, may fine the lot owner; however, the total amount of fines imposed for the violation may not exceed five hundred dollars.

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A lot owner will have two consecutive thirty-day periods to cure a violation before BPHA may take legal action against the lot owner for the violation. BPHA may not pursue foreclosure against the lot owner based on fines owed.

6. **Evidence of Cure.** If the lot owner cures the violation within the period to cure afforded the lot owner, the lot owner may notify BPHA of the cure and, if the lot owner sends with the notice visual evidence that the violation has been cured, the violation is deemed cured on the date that the lot owner sends the notice. If the lot owner's notice does not include visual evidence that the violation has been cured, BPHA shall inspect the lot as soon as practicable to determine if the violation has been cured.
7. **Failure to Cure.** If BPHA does not receive notice from the lot owner that the violation has been cured, BPHA shall inspect the lot 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 BPHA received notice from the lot owner that the violation was cured, BPHA determines that the violation has not been cured:
  - (i) A second thirty-day period to cure commences if only one thirty-day period to cure has elapsed; or
  - (ii) BPHA may take legal action pursuant to this section if two thirty-day periods to cure have elapsed
8. **Effect of Cure.** Once the lot owner cures a violation, BPHA shall notify the lot owner, in English and in any language that the lot owner has indicated a preference for correspondence and notices:
  - (i) That the lot owner will not be further fined with regard to the violation; and
  - (ii) Of any outstanding fine balance that the lot owner still owes BPHA.
  - (iii) On a monthly basis and by first-class mail and, if BPHA has the relevant e-mail address, by e-mail, an association shall send to each lot owner who has any outstanding balance owed BPHA an itemized list of all assessments, fines, fees, and charges that the lot owner owes to BPHA. BPHA shall send the itemized list to the lot owner in English or in any language for which the lot owner has indicated a preference for correspondence and notices and to any designated contact for the lot owner.
9. **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 5 days from the date of the letter to come into compliance.
10. **Continued Violation After Initial Warning Letter; Notice Regarding the Alleged Violation.** If the alleged Violator does not come into compliance with 5 days of the first warning letter, such will be considered a 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, in accordance with CR.S. § 38-33.3-209.5(1.7)(a), providing the following: (1) the nature of the alleged violation, (2) the action or actions required to cure the alleged violation, and (3) the timeline for the fair and impartial fact-finding process 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 7 days of the date of the second violation letter.

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11. **Continued Violation After Second Letter.** If the alleged Violator does not come into compliance with 5 days of the second letter, such will be considered a third violation for which a fine may be imposed following notice and opportunity for a hearing. A third letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing as described in the preceding paragraph, 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 7 days of the date on the third violation letter.
12. **Continued Violation After Third Letter.** If the alleged Violator does not come into compliance within 5 days of the third letter, such will be considered a fourth violation for which a fine may be imposed following notice and opportunity for a hearing. A fourth letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing as described in Paragraph 10, above, 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 7 days of the date on the fourth violation letter.
13. **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, may serve a written notice of the hearing to all parties involved at least 5 days prior to the hearing date.
14. **Hearing.** All disciplinary hearings and all referrals of delinquency shall be held in executive or closed session. 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 Board 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. After all testimony and other evidence has been presented at a hearing, the Board shall, within a reasonable time, not to exceed 10 days, renders 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 Board members present at the hearing. Any Owner who is the subject of a disciplinary hearing or a referral of delinquency may request and receive the results of any vote taken at the relevant meeting. 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.
15. **Failure to Timely Request Hearing.** If the alleged Violator fails to request a hearing within 7 days of any letter, or fails to appear at any hearing, the Board 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.
16. **Notification of Decision.** The decision of the Board, committee or other person, shall be in writing and provided to the Violator and Complainant within 10 days of the hearing, or if no hearing is requested, within 10 days of the final decision.
17. **Fine Schedule.** The fine schedule has been adopted for all recurring covenant violations:

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First Violation

Warning Letter

Second Violation (of same covenant or rule) \$100.00

Third Violation (of same covenant or rule) \$150.00

Fourth and Subsequent Violations (of same covenant or rule) \$200.00

Fourth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action.

18. **Continuous Violations.** Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. Each week of noncompliance with such violations constitutes a separate violation. If an Owner is determined as having a continuous violation, in accordance with the terms of the Policy, such Owner may be subject to a weekly fine of \$200.00 per week per covenant if not corrected, following a notice and opportunity for a hearing as set forth above.
19. **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.
20. **Other Enforcement Means.** This Policy 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.

## PRESIDENT'S CERTIFICATION:

The undersigned, being the President of THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on \_\_\_\_\_ and in witness thereof, has subscribed his or her name.

**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, INC.,**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
President

# PRELIMINARY

## POLICIES AND PROCEDURES REGARDING DISPUTE RESOLUTION

### THE BREEZE PLACE HOMEOWNER'S ASSOCIATION

The Association's policies and procedures regarding dispute resolution shall be as set forth herein.

1. **General.** It is the general policy of the Association to encourage the use of negotiation and mediation, and in certain instances arbitration, to resolve disputes between the Association and an Owner. Such policy will, it is hoped, avoid the cost, complexity and delay associated with court proceedings, which can make litigation an inefficient means of resolving such disputes. The policies and procedures set forth herein shall not apply to the collection of Assessments, the enforcement of the Declaration, and the enforcement of the Rules adopted by the Association.
2. **Policy Regarding Negotiation and Mediation.** Negotiation between the Association and an Owner will be pursued in order to resolve all disputes between such parties before any lawsuit is filed, except in the case of the collection of Assessments, the enforcement of the Declaration, and the enforcement of Rules adopted by the Association, subject to the following:
  - (i) Negotiation and mediation will not be used with respect to situations that involve an immediate threat to the peace, health, or safety of the Association or the Real Estate.
  - (ii) Negotiation and mediation will not be pursued by the Association if an Owner refuses to participate in such process.
  - (iii) Mediation shall be conducted before a trained mediator having familiarity with the governance of Colorado community associations and with an understanding and knowledge of the Colorado Common Interest Ownership Act.
  - (iv) If mediation is to be pursued, the Association and the owner shall execute an agreement, prior to the commencement of the mediation process, which tolls any applicable statute of limitations while the parties are attempting to resolve the dispute through mediation.
3. **Negotiation.** The Owner and the Association shall attempt in good faith to resolve any dispute covered by this policy promptly by negotiation between persons who have authority to settle the controversy ("Representatives"). Any party may give another party written notice of any dispute not resolved in the normal course of business. Within twenty (20) days after receipt of said notice, Representatives of the parties to the dispute shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within sixty (60) days of the notice of dispute, or if the parties fail to meet within twenty (20) days, any party to the dispute may initiate mediation of the controversy as provided below. Any meeting required by this paragraph may occur by telephone.
4. **Mediation.** If the dispute has not been resolved by negotiation as provided above, either party may give written notice to mediate ("Mediation Notice") and the parties shall endeavor to settle the dispute by mediation between their respective Representatives with a neutral third-party mediator. If the parties encounter difficulty in agreeing on a neutral third-party mediator, either the Owner and the Association may appoint a neutral third party, and such third parties shall appoint a neutral third party to mediate. The mediation shall occur within sixty (60) days of the date of the Mediation Notice unless otherwise agreed, in writing, by both the Association and the Owner. The Representative of the Parties, each with full authority to settle the controversy, shall attend the mediation in person.

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The mediation shall be conducted in Grand County, Colorado, unless otherwise agreed, in writing, by both the Association and the Owner.

5. **Cost of Mediation.** The cost of mediation shall be split equally among the parties involved in the mediation. In the event an Owner fails to pay the Owner's share of the cost of mediation, such amount shall be considered an Assessment against such Owner's Lot, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado law.
6. **Policy Regarding Arbitration.** In the event that any dispute between the Association and an Owner, which falls within this policy is not resolved by negotiation or mediation, such dispute may, if both the Association and the Owner agree in writing, be resolved by binding arbitration conducted in accordance with the terms of this paragraph. In order to proceed under the terms and provisions of this paragraph, a party requesting binding arbitration shall submit to the other party to the dispute a fully completed and executed Arbitration Agreement. In the event that the party to which a completed and executed Arbitration Agreement is submitted has not executed and returned such Arbitration Agreement within twenty (20) days after receipt of the executed Arbitration Agreement, it shall be conclusively presumed that the parties have not agreed to submit the dispute to binding arbitration. In such event, the dispute may thereafter be resolved as provided for in paragraph 10(g) below. If the Association and the Owner enter into an Arbitration Agreement, then:
  - (i) As soon as reasonably possible following execution by the Association and the Owner of an Arbitration Agreement, but not later than thirty (30) days after the date such Agreement is fully executed, the parties, in good faith, shall attempt to select a mutually acceptable arbitrator to hear and decide the matter or matters in controversy. In the event the parties cannot agree on a mutually acceptable arbitrator within sixty (60) days after the date of such Agreement, each party shall appoint an unrelated third party within seventy (70) days after the date of such Agreement and, within fifteen (15) days after the date of the appointment of the last of such unrelated third parties, such third parties shall appoint an arbitrator to hear and settle the dispute in accordance with the terms and provisions hereof. If any party does not appoint an unrelated third party in a timely manner or if such third parties cannot or do not appoint an arbitrator in a timely manner, then any party may make application to the District Court for Grand County, Colorado for appointment of an arbitrator.
  - (ii) The arbitration shall be conducted by a single arbitrator and the decision of the arbitrator shall be final, enforceable, binding and unappealable to any court of tribunal, except as otherwise provided by Colorado law. Such decision shall be enforceable with the same force and effect as if issued by any court of competent jurisdiction. The decision of the arbitrator shall be based upon the evidence and facts presented by the parties and shall be in accordance with Colorado law.
  - (iii) The costs of the arbitration, including reasonable attorney fees, shall be awarded by the arbitrator to the prevailing party. If there is no prevailing party, such fees and costs may be awarded at the discretion of the arbitrator who, in making such award may assess the relative good or bad faith of the parties throughout the dispute. In the event the arbitrator enters an award for fees and costs against the Owner and in favor of the Association, the Owner fails to pay such award, the amount awarded shall be considered an Assessment against such Owner's Lot, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado law.
  - (iv) All arbitration proceedings shall be conducted to expedite resolution and minimize cost. Disclosures shall be required and discovery shall be allowed and both shall be governed by Rules 26-37 of the Colorado Rules of Civil Procedure, as amended, except that upon appli-



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cation of either party, or at the election of the arbitrator, the arbitrator, in the interest of justice and efficiency, may limit discovery as such arbitrator deems appropriate.

- (v) Unless otherwise agreed in writing by the parties, the place of arbitration shall be in Grand County, Colorado.
- 7. **Failure of Alternative Dispute Resolution.** In the event that the Association and the Owner have not resolved a dispute by negotiation and mediation, and the parties have not agreed to binding arbitration, such dispute may be the subject of an action brought by either party in either the Grand County Court or the Grand County District Court, as appropriate, according to Colorado law.
- 8. **Performance to Continue.** Each party is required to continue to perform its obligations under the Declaration, Bylaws, and Rules, Regulations, and Policies pending final resolution of any dispute.
- 9. **Extension of Deadlines.** All deadlines specified in this policy may be executed by mutual written agreement of the parties.

## PRESIDENT'S CERTIFICATION:

The undersigned, being the President of THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on \_\_\_\_\_ and in witness thereof, has subscribed his or her name.

**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, INC.,**  
**a Colorado nonprofit corporation**

By: \_\_\_\_\_  
President

# PRELIMINARY

## POLICY ON RECORDS INSPECTION AND COPYING

### THE BREEZE PLACE HOMEOWNER'S ASSOCIATION

The Association hereby adopts the following Policy and Procedures:

1. **Records for Inspection.** The following are the records of the Association which shall be deemed to be the sole records of the Association for purposes of inspection by Owners:
  - (a) Records of receipts and expenditures affecting the operation or administration of the Association;
  - (b) Records of claims for construction defects and amounts received pursuant to settlement of any such claims;
  - (c) Minutes of all meetings of Owners;
  - (d) Minutes of all meetings of Board members (except records of executive sessions of the Board);
  - (e) Records of actions taken by the Owners without a meeting;
  - (f) Records of actions taken by the Board without a meeting, including written communications and e-mails among Board members that are directly related to the action so taken;
  - (g) Records of actions taken by any committee of the Board without a meeting;
  - (h) A list of the names of the Owners in a form that permits preparation of a list of the names and mailing addresses of all Owners, as well as the number of votes of each Owner is entitled to vote;
  - (i) The Association's governing documents which are comprised of:
    - i. The declaration;
    - ii. The bylaws;
    - iii. The articles of incorporation;
    - iv. Any rules and regulations or design guidelines; and
    - v. Any policies adopted by the Board, including the Association's responsible governance policies.
  - (j) Financial statements for the last three years, which at a minimum shall include the balance sheet, the income or expense statement, and the amount held in reserves for the prior fiscal year;
  - (k) Tax returns for the last seven years, to the extent available;
  - (l) The operating budget for the current fiscal year;
  - (m) A list, by lot type, of the Association's current assessments, including both regular and special assessments;
  - (n) All financial audits or reviews of the Association during the immediately preceding three years;
  - (o) A list of the Association's insurance policies, which shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed;
  - (p) A list of the names, e-mail addresses and mailing addresses of the current Board members and officers;
  - (q) The most recent annual report delivered to the Secretary of State;
  - (r) A ledger of each Owner's assessment account;
  - (s) The most recent reserve study, if any;
  - (t) Current written contracts and contracts for work performed for the Association within the prior two years;
  - (u) Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
  - (v) Ballots, proxies and other records related to voting by Owners for one year after the election, vote or action to which they relate;
  - (w) Resolutions adopted by the Board; and
  - (x) All written communications sent to all Owners generally within the past three years; and
  - (y) A record showing the date on which the Association's fiscal year begins;
  - (z) A record of all waivers of notices of meetings of Owners and of the Board or any committee of the Board

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2. **Exclusions.** The Association may withhold from inspection and copying certain records as provided by Colorado law, and which shall not be deemed to be records of the Association, which shall include, but are not limited to:
- (a) Architectural drawings, plans and designs, unless released upon the written consent of the owner of such drawings, plans or designs;
  - (b) Contracts, leases, bids or records related to transactions currently under negotiation;
  - (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
  - (d) Records of executive sessions of the Board;
  - (e) Individual lot files other than those of the requesting Owners;

The Association must withhold from inspection and copying the following records as provided by Colorado law:

- (f) Personnel, salary or medical records relating to Individuals;
  - (g) Personal identification and account information of Owners, including bank account information, telephone numbers, e-mail addresses, driver's license numbers, and social security numbers;
3. **Inspecting and Copying Association Records.** An Owner or his or her authorized agent is entitled to inspect and copy any of the books and records of the Association, as listed above, subject to the exclusions set forth above, upon submission of a written request to the Association describing with reasonable particularity the records sought. The Association shall provide access to the requested records by:
- (a) Making the requested records available for inspection and copying by the Owner within 10 days of the Association's receipt of such written request, which inspection shall be during the regular business hours of 8:00 a.m. to 5:00 p.m. at the offices of the Association as identified by the Colorado Secretary of State; or
  - (b) Making the requested records available for inspection and copying by the Owner during the next regularly scheduled Board meeting occurring within 30 days of the Owner's request; or
  - (c) E-mailing the requested records to the Owner within 10 days of the Association's receipt of such written request, if so requested by the Owner.
4. **Use of Records.** Association records and the information contained within the records shall not be used for commercial purposes. Furthermore, while Owners are not required to state a purpose for any request to inspect the records of the Association, the membership list may not be used for any of the following without the consent of the Board:
- (a) To solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
  - (b) For any commercial purpose; or
  - (c) Sold to or purchased by any person.
5. **Fees and Costs.** Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, which have been determined to be \$0.50 per page, including the cost to search, retrieve, and copy the record(s) requested. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies.

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6. **Inspection.** 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.
7. **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. **Creation of Records.** Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile or synthesize information.
9. **Definitions.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
10. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
11. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
12. **Amendment.** This policy may be amended from time to time by the Board of Directors.

## **PRESIDENT'S CERTIFICATION:**

The undersigned, being the President of THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on \_\_\_\_\_ and in witness thereof, has subscribed his or her name.

**THE BREEZE PLACE HOMEOWNER'S ASSOCIATION, INC.,**  
**a Colorado nonprofit corporation**

By: \_\_\_\_\_  
President