

# **Colorow at Squaw Creek HOA Governance Policies**

## **Accounting Records**

To maintain accurate and complete accounting records, the HOA has retained the accounting firm of Robertson and Marchetti. The Offices are located at 28 Second Street, Suite 213 across the street from The Kitchen Collage in the Riverwalk complex of Edwards. Their phone number is 970/926-6060.

*The HOA has adopted the following policies and procedures:*

### **I. Collection of Unpaid Assessments**

Any assessment which is not paid within 30 days after its due date shall be delinquent.

#### *Step 1 –*

The first step in collecting unpaid assessments is to withdraw the good standing of the delinquent homeowner. The Executive Board, acting under the Bylaws section 5.6 B, has adopted a definition for members in good standing of the Association and the privileges they enjoy. The last several years we have had a significant number of members not complying with the covenants, by-laws and construction regulations. This definition and a fine structure for non compliance will help the Board resolve these disputes on a timely basis. The Board has adopted the following:

A member in good standing is current in all assessments, fines and use fees, and has no verbal or written notices of non compliance with covenants, bylaws, and construction regulations. Their guests behave in a manner consistent with the covenants and by laws, and observe posted speed limits. These members may: vote in annual & special meetings, use the trash facility, use gate guest code, use of the platted recreational easements, have their names entered in gate computer roster.

Conversely, the Board may revoke voting privileges, use of platted recreational easements, access to trash facility and withhold guest gate code from members not in good standing. The Board may also remove these members' names from the gate computer roster. Members not in good standing may continue to use the gate openers for their personal vehicles to access their property.

**Fines for infractions of the covenants, bylaws, and construction regulations may be imposed by the Board after notice and hearing as described below and in Attachment 1.** The following fine structure has been adopted:

First Offense Notice: \$100/ infraction, if resolved in 15 days

Second Offense Notice for same or continuing offense: \$500/infraction, if resolved in 15 days,

Third Offense Notice for same or continuing offense: \$1000/infraction and a default lien will be filed on property

## **I. Collection of Unpaid Assessments *continued***

### *Step 2 –*

If the above sanctions are imposed and the homeowner still has not paid the required assessments, the HOA will move forward with the procedures fully described in Section 8 of the HOA covenants. If an assessment becomes delinquent, the Association may take any or all of the following actions:

- A. Assess a late charge for each delinquency in such amount as the Association may determine from time to time;
- B. Assess an interest charge from the date of delinquency at the annual rate of 18% per annum;
- C. Suspend the voting rights of the Owner during any period of delinquency;
- D. Accelerate all remaining Assessment installments so that unpaid assessments for the remainder of the fiscal year shall be due and payable at once;
- E. Bring an action at law against any owner personally obligated to pay the delinquent assessments; and
- F. Foreclose the Assessment Lien as described more fully in Sect. 8.10 of the Covenants.

## **II. Handling of conflicts of interest**

The Executive Board 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 members and of the Association. All directors shall exercise their power and duties in good faith and in the best interest of the Association. All directors shall comply with all lawful provisions of the Declaration and the Associations' Articles, Bylaws and Rules and Regulations. As of the date of adoption of this policy, conflicting interest transactions of directors and officers of the Association are governed by C.R.S. #7-128-501 pursuant to C.R.S. #38-33.3-310.5, and the provisions of this Policy are intended to comply with such statutes.

All Directors or officers shall disclose any conflicting interest (financial interest) regarding a particular Association contract or transaction to the Board in an open board meeting. After disclosure, the interested director may participate in the discussion of the matter, and may vote on the matter, in compliance with the Director's duties 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. The board may deviate from the procedures set forth above if in its sole discretion such deviation is reasonable under the circumstances.

**III. Conduct of meetings**

The President of the Association or designee shall chair all Association meetings. The meetings are open to all Association property owners. The meetings will be conducted according to Robert's rules of order. Meetings shall be administered in accordance with Article IV of the Association Bylaws.

**IV. Enforcement of covenants and rules**

Enforcement of the Association covenants and rules is outlined in Sections 9 and 10 of the Association covenants.

**V. Inspection and copying of association rules by homeowners**

The Association's books and records are available for inspection at the offices of the Association's accountant, Robertson and Marchetti at 28 Second St., Suite 213 in Edwards during normal business hours. Copies may be obtained from this accountant at the going copying rate in that office.

**VI. Investment of Reserve Funds**

The Executive Board of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds' account balance. The investment policies will reflect the following goals: safety of principal, liquidity and accessibility, minimal costs, diversification, and return.

**VII. Procedures for adoption and amendment of policies**

Any procedure or policy included in the Association covenants and/or Bylaws shall be decided by an affirmative vote of more than 50% of the Members eligible to vote as described in Article 3.6 of the bylaws.

**VIII. Procedures for addressing association disputes**

1. It is the goal of the Association to resolve disputes without the emotional and financial costs of litigation. In resolving disputes between the homeowners and the HOA, the association shall make every reasonable effort to meet in person and resolve the dispute face to face with the homeowner in question.
2. If the parties do not resolve the dispute within 30 days, the aggrieved party (the "Claimant") shall have 30 additional days to submit the claim to mediation under the auspices of a reputable and knowledgeable mediation group providing dispute resolution services in Eagle County.
3. If the Claimant does not submit a claim to mediation within 30 days after termination of negotiations or does not appear for the mediation, the Claimant shall be deemed to have waived the claim and the respondent shall be released and discharged from any and all liability to the Claimant. Any settlement of the Claim through mediation shall be documented in writing by the mediator.

**VIII. Procedures For Addressing Association Disputes *continued***

4. If the parties go through the mediation process and cannot reach a settlement through mediation, the Claimant shall have 15 additional days to submit the claim to binding arbitration. The arbitrator shall be a single arbitrator to be appointed by both parties. If the parties are unable to agree upon an arbitrator within 30 days of the claim being submitted to arbitration, the parties shall each select an arbitrator and the two arbitrators shall appoint a qualified arbitrator. No person shall serve as arbitrator where that person has any financial or personal interest in the result of the arbitration. If there is not a timely submission to arbitration or if the Claimant fails to appear for the arbitration proceeding, the claim shall be deemed abandoned and the respondent released from any liability to the Claimant arising out of such claim.
5. After resolution of any claim, if either party fails to abide by the terms of the agreement or award, the other party may file suit in court or pursue any other proceedings to enforce such agreement or award. 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 attorneys' fees and court costs.
6. Deviations: the Board may deviate from the above procedures if it is sole discretion such deviation is reasonable under the circumstances.

**IX. Policies and Procedures of the Architectural Control Committee.**

The policies and procedures of the Architectural Control Committee shall be governed by the provisions of section 7.9 of the Amended and Restated Declaration of Protective Covenants for Colorow at Squaw Creek, as same may be amended from time to time.

**Attachment 1:**

**Colorow at Squaw Creek Homeowners Association Governance Policies**

**Colorow at Squaw Creek Homeowners Association  
Policy and Procedure Regarding  
Enforcement of the Declaration, Bylaws and Rules and  
Regulations**

The following policy and procedure has been adopted by the Colorow at Squaw Creek Homeowners' Association ("Association") pursuant to the Colorado Condominium Ownership Act, C.R.S. 38-33-101 et seq. and the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101 et. seq. at a meeting of the Association's Executive Board ("Board") on August 19, 2007.

The following policy and procedure has been adopted by the Association for the enforcement of the Association's governing documents except for non-compliance **(with Section 7.9 of the Amended and Restated Declaration of Protective Covenants for Colorow at Squaw Creed regarding the Architectural Control Committee)**. This policy shall also be effective for the enforcement of any rules and regulations ("Rules and Regulations") adopted after the date of this policy.

1. **Notice of Alleged Violation.** Notice of alleged violation of any provision of the Declaration, Bylaws or Rules and Regulations shall be provided to the applicable owner ("Owner") as soon as is reasonable practicable following receipt of a complaint by the Association's Executive Board ("Board") of such violation. The Board may also, at its option, provide a copy of such Notice to any non-owner violator. The Notice shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the governing legal documents.

2. **Service of Notices.** Service of all Notices required or permitted to be given hereunder shall be made as follows:

If to an Owner or lessee: By personal delivery to the Owner or less; by email; or by U.S. Mail, postage prepaid, addressed to the last registered address of the Owner or Lessee as contained in the Association's records.

If to the Association: By personal delivery, email or U.S. Mail postage prepaid, addressed to the President of the Association, PO Box 775, Edwards, Colorado 81632.

Any notice personally delivered shall be deemed received on the date of delivery. Any email shall be deemed received on the day after the email was sent. Any notice mailed shall be deemed received on the fifth day following the date of mailing.

3. **Request for Hearing.** If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, the Owner must request such a hearing, in writing, within thirty days from receipt of the Notice of Alleged Violation. The request for a hearing shall describe the grounds and basis for challenging the alleged violation. If a hearing is not requested within the thirty day period, the Board shall determine if there was a violation, and if so, may assess a reasonable fine within the guidelines contained in this Policy and Procedure within sixty days of the expiration of the thirty-day period. The Association's managing agent Robertson and Marchetti, shall give notice of said assessment to the applicable Owner as provided in this Policy and Procedure. Any assessed fine shall be due and payable immediately upon receipt of notice of the fine assessment.

4. **Board to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant to this policy and Procedure. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings.

5. **Conflicts.** Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Board prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member results in an even number of remaining Board members eligible to hear a matter, the Presiding Officer may appoint an Association member in good standing to serve as a voting member of the Board for the purposes of the hearing.

6. **Hearing.** The Board shall inform the Owner of the scheduled time, place and date of the hearing, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall read to the Board the Notice of Alleged Violation. Each party may make an opening statement and present evidence and testimony of witnesses and make a closing statement. Neither the complaining parties nor the Owner is required to be in attendance at the hearing. The decision of the Board at the hearing shall be based on the matters set forth in the Notice of Alleged Violation, Request for Hearing and the evidence presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by the members of the Association.

7. **Decision.** After all testimony and other evidence has been presented, the Board shall render its findings and decision in writing and, if applicable, impose a fine in accordance with the schedule set forth herein within ten days after the hearing. A decision, finding for or against the Owner shall be made by the Board no later than ten days after the date of the hearing. A decision finding for or against the Owner shall be made by a majority of the members of the Board present at the hearing.



The undersigned President of the Association Inc. certifies that the foregoing policy and procedure was adopted by the Executive Board on August 19, 2007.

By *Joseph T. Rayburn* President, Colorow at Squaw Creek Homeowners' Association

*August 21, 2007*, Date