

# RESOLUTION

## ADOPTING POLICIES AND PROCEDURES

**SUBJECT**

**AND**

**PURPOSES:** To provide policies and procedures for Burning Tree Ranch Homeowner's Association.

**AUTHORITY:** The Declarations, Articles of Incorporation, Bylaws, and Protective Covenants for Burning Tree Ranch.

**EFFECTIVE**

**DATE:** September 22, 2014

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President and Secretary of the BTRHOA, certify that the attached Resolution was adopted by the Board of Directors of the BTRHOA on September 22, 2014, and in witness thereof, the undersigned has subscribed his/her name.

**THE BURNING TREE RANCH HOMEOWNER'S ASSOCIATION, INC.**

By: Original Signed by Debra J Quella, \_\_\_\_\_ President

By: Original Signed by Joanne O Sistik, \_\_\_\_\_ Secretary

The undersigned, being the President and Secretary of the BTRHOA, certify that the revisions made to Section 4 was adopted by the Board of Directors of the BTRHOA on April 19, 2016, and in witness thereof, the undersigned has subscribed his/her name.

By: Original Signed by Carol J Alexander, \_\_\_\_\_ President      Date: April 19, 2016 \_\_\_\_\_

By: Original Signed by Joanne O Sistik, \_\_\_\_\_ Secretary      Date: April 19, 2016 \_\_\_\_\_

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**Section 1: PURPOSE AND SCOPE OF THE POLICIES AND PROCEDURES**

The purpose of the Burning Tree Ranch Homeowner's Association (BTRHOA) is to protect property values in Burning Tree Ranch, and to protect the interests of its property owners ("Owners") by adhering to and enforcing the BTRHOA's Declarations, Articles of Incorporation, Bylaws, and the BTR Protective Covenants ("Covenants"). The Covenants, and its amendments set forth requirements to be met by Owners, including requirements for obtaining approval from the Architectural Review Committee (ARC), previously referred to as the Environmental Committee.

The policies and procedures set forth herein provide guidance for enforcing the BTRHOA Declarations, Articles of Incorporation, Bylaws, and the Covenants. They further include guidelines for the collection of HOA dues, addressing violations of Covenants, amending the Covenants, and disputes between Owners and the BTRHOA.

The provisions of these policies and procedures shall be in addition to and in supplement of the terms and provisions of the Protective Covenants, Declarations, Articles of Incorporation, and Bylaws.

**Section 2: COLLECTION OF DUES**

Purpose for Collection of Dues. The collection of HOA dues is allowed for in the BTRHOA Bylaws, is solicited annually by the HOA Board, and is a means to provide funding for neighborhood functions, activities, projects, notifications, and other miscellaneous expenditures of the HOA, as approved by its Board of Directors. Payment of dues is voluntary, though heavily encouraged, as only dues-paying members in good standing enjoy HOA voting privileges, Board assistance, and participation in the majority of the activities coordinated and sponsored by the HOA.

Due Date: Invoices are initially distributed to all BTR Owners in January of each year, with payment due by the end of the first quarter. A second invoice is mailed to Owners who have not paid their dues by the March 31<sup>st</sup> deadline. Owners who have not paid their annual dues by the March 31<sup>st</sup> deadline are not members in good standing until such time as they pay their dues for the calendar year.

Changing the Dues. The amount of dues, and whether their assessment is voluntary or mandatory, may be changed by a majority vote of the HOA members in good standing at the Annual Meeting.

**Section 3: ENFORCEMENT OF PROTECTIVE COVENANTS**

Enforcement Authority. All Owners, regardless of whether they are members of the BTRHOA, are required to comply with the BTR Protective Covenants and amendments. The BTRHOA Board has

enforcement authority pursuant to the HOA Bylaws. The Architectural Review Committee (ARC) complies with the terms of the BTR Protective Covenants with respect to reviewing, making decisions, and providing notifications for requests for approval of building and constructions plans. An HOA Board member is required to chair the ARC. Policing for violations is not required of the BTRHOA.

Reporting Violations to the BTRHOA. Complaints regarding alleged violations of the Covenants may be reported by an Owner or resident within BTR to the BTRHOA Board of Directors. Complaints of an observed violation shall be in writing, identify the complainant ("Complainant"), and alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions of the Covenants that are alleged to have been violated, stating 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 acted on at the discretion of the BTRHOA. Names of individuals making official complaints to the BTRHOA shall be kept confidential; but the essence of the complaint will eventually be appropriately shared with involved homeowner(s), usually after an investigation, so they are apprised of any complaint and can respond to the allegation(s).

Investigation of Complaints Made to the BTRHOA. The Board shall have sole discretion in appointing an individual or committee to investigate the complaint. Upon receipt of a complaint by the BTRHOA, if additional information is needed, the complaint may be returned to the Complainant.

Notices of Violation to the Violator: If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation, and setting forth a time limit by which the violation is expected to be remedied. If the alleged Violator does not come into compliance within the number of days identified in the first warning letter, subsequent letters may be sent, requesting the violation be remedied, and inviting the Violator to contact the Board should there be extenuating circumstances for remedying the violation within the requested time.

Other Enforcement Means of the BTRHOA. This enforcement policy and process is adopted in addition to all other enforcement means which are available to the BTRHOA through its Declarations, Articles of Incorporation, Bylaws, and BTR Protective Covenants. The use of this process does not preclude the BTRHOA from using any other enforcement means, including:

*Legal Action:* The BTRHOA, at any time, may pursue legal action against an Owner to enforce the provisions of the Declarations, Bylaws, Articles of Incorporation and BTR Protective Covenants without following the preceding notice procedures, if the Board determines that such action is in the BTRHOA's best interests.

*Alternate Dispute Resolution Procedures.* Alternative methods of dispute resolution to avoid litigation that are encouraged by the Board of Directors include negotiation and mediation. The BTRHOA encourages Owners or residents with disputes to resolve such disputes without court proceedings. The BTRHOA will take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.

#### **Section 4: PROPOSING AND MAKING CHANGES TO THE BTR PROTECTIVE COVENANTS**

Changes Proposed by Owners. Owners who have an interest in changing one or more provision of the Covenants may openly discuss ideas/concerns at any regularly scheduled BTRHOA Board meeting and/or the Annual HOA meeting and bring forth a formal written proposal to the BTRHOA Board for action. This proposal shall include the proposed language change, and be accompanied by a statement detailing why and the manner in which the change is believed to be beneficial, a petition signed by a minimum of ten other BTR Owners who would approve of the change(s), and, if possible, a list of pro's and con's for each proposed change.

Board Evaluation and Process for Amending. The BTR Board will evaluate all proposals for completeness, collaborate with Owner(s) on proper amendment language to the covenants, and disseminate any proposed amendments in writing to all BTR Owners. The Owners bringing forward the proposed amendments are expected to work with BTR Board members to garner the required two-thirds approval by lot Owners, pursuant to the requirements set forth in the Protective Covenants.

#### **Section 5: DISPUTES BETWEEN OWNERS AND THE BTRHOA**

Required dispute resolution procedure for Owner disputes with the BTRHOA. Prior to filing a lawsuit against the BTRHOA, the Board, or any officer, or director, an Owner must:

1. Send a written demand on the matter desired to be included in their lawsuit or claim against the BTRHOA, and/or
2. The Owner may request and attend a hearing with the Board of Directors. Any such request for a hearing shall be in writing and shall be personally delivered to any member of the Board of Directors.

The Owner, in such written demand or request for and attendance of a hearing, shall make a good faith effort to explain the grievance to the Board.

The Owners must allow the BTRHOA Board the opportunity to resolve the dispute in an amicable fashion within 60 days of receipt of the written request.

If the dispute is not resolved in 60 days, and the Owner has requested a hearing, the Board may give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than 30 or more than 180 days from the date of receipt of the request. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but shall not be required to do so.

Discretionary dispute resolution procedures. The procedures set forth below may be used in disputes between Owners and the BTRHOA, and between Owners and other Owners or residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.

*Negotiation.* A request for dispute resolution by negotiation may be initiated by an Owner or the BTRHOA. Any such request shall be in writing stating the nature and details of the dispute and shall be

personally delivered to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less than 60 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

*Mediation.* If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 15 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

#### **Section 6: POLICY ON RIGHTS AND RESPONSIBILITIES OF OWNERS**

Each Owner has rights and responsibilities set forth in these policies and in the BTRHOA documents for the Community. As a summary and restatement of those rights and responsibilities, and without modification of the rights and responsibilities provided for in these policies or in the BTRHOA documents, Owner rights and responsibilities are generally inclusive of the following:

1. The right to live in a community where the property is maintained by Owners according to standards that protect and enhance property values, along with quality of life, for themselves, neighbors, and the community at large.
2. The responsibility of Owners and those who reside on the Owner's property (e.g., family members, tenants, and/or relatives) to adhere to the Covenants governing the Burning Tree Ranch community in willing and voluntary compliance with both affirmative and restrictive components of the Covenants.
3. The right to bring forth proposals to amend the Covenants, and the subsequent responsibility to assist the BTRHOA with attempting to secure the agreement from 66 2/3rds of the Owners required to implement amendment(s) to the Covenants.
4. The right to participate in governing the BTRHOA by attending meetings, reading newsletters and electronic bulletins, serving on committees, and voting and/or running for election. Only HOA members in good standing relative to payment of annual dues may vote and/or run for election.
5. The responsibility to use professional and business-like language and decorum when interacting with BTRHOA board members and community members.

6. The right to an accountable, responsive, transparent and competent association, as well as honest, fair and respectful treatment by the BTRHOA Board of Directors.
7. The right to submit written complaints with respect to such things as alleged Covenant violations and disputes with the HOA Board, and to receive timely investigations and responses in accordance with the policies and procedures set forth herein.
8. The responsibility to assist in maintaining fire safety for the BTR community, by establishing and maintaining adequate wildfire defensible space as defined by the Colorado State Forest Service and detailed in BTRHOA Community Wildfire Protection Plan.

## **Section 7: BOARD MEMBER CONFLICTS OF INTEREST**

**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 BTRHOA. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the BTRHOA. All Directors shall comply with all lawful provisions of the Declarations and the BTRHOA's Articles of Incorporation, Bylaws, Protective Covenants, Policies and Procedures, and applicable laws.

**Definition of "conflict of interest."** A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board would financially benefit: (i) a Director; (ii) a parent, grandparent, spouse, child, or sibling of the Director; (iii) a parent or spouse of any of the persons in subsection (ii); or (iv) an entity in which a Director is a director or officer or has a financial interest.

**Disclosure of Conflict.** Any conflict of interest on the part of any Director may be verbally disclosed to the other Directors. After disclosure, the Director may participate in the discussion but may not vote on the manner, unless the transaction is fair to the BTRHOA. The minutes of the meeting may reflect the disclosure made, any abstention from voting, the composition of the quorum and record who voted for and against.

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

- i. No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
- ii. No contributions will be made to any political parties or political candidates by the BTRHOA.
- iii. 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 BTRHOA.
- iv. No Director shall accept a gift or favor made with intent of influencing decision or action on any official matter.
- v. No Director shall receive any compensation from the BTRHOA for acting as a volunteer.

- vi. No Director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.
- vii. Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, BTRHOA service providers and Directors are prohibited and are not consistent with the best interest of the community.

#### **Section 8: POLICY ON INSPECTION AND COPYING OF BTRHOA RECORDS**

An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the BTRHOA, subject to the exclusions, conditions and requirements set forth below:

- i. The inspection and/or copying of the records of the BTRHOA shall be at the Owner's expense,
- ii. The costs charged to the requesting Owner shall include the cost of searching, retrieving, and copying the record(s) requested,
- iii. The inspection and/or copying of the records of the BTRHOA shall be conducted at a time agreed to with the Board Secretary,
- iv. The Owner shall give the BTRHOA written demand, stating the purpose for which the inspection and/or copying is sought, at least five business days before the date on which the Owner wishes to inspect and/or copy such records.

BTRHOA records, including membership lists, shall not be used by any Owners for any commercial purpose, or for the purpose of soliciting money or property unless such money or property will be used solely to solicit votes of the Owners in an election to be held by the BTRHOA. No records shall be used for the purpose of giving, selling, or distributing such BTRHOA records to any person, or for any improper purpose as determined in the sole discretion of the Board.

#### **Section 9: POLICY ON CONDUCT OF MEMBER MEETINGS**

- The President of the BTRHOA or designee shall chair all Member meetings. In order to encourage open dialogue by individuals, no comments attributed to specific persons may be audio, video, or otherwise recorded except for an anonymous written synopsis of key points by the Secretary of the BTRHOA as part of the minutes of the meeting. The exception is that member names will be attached to specific motions in the minutes.
- BTRHOA members, along with any other non members, attending a Member meeting will sign in.
- Anyone wishing to address agenda items or other items of business can do so after being recognized by the President.
- Comments or questions should be relevant to the purpose of the meeting and offered in a constructive, professional manner. Anyone disrupting the meeting, as determined by the President, will be asked to cease such behavior and/or be requested to immediately leave the meeting.
- Members unable to attend meetings may choose to designate another member, as indicated by a written notice that is provided to the President prior to the scheduled meeting, to represent their viewpoints on agenda items/community issues. The designated member may speak for the member who is unable to attend the meeting.



- All actions and/or decisions require a motion and a second followed by group discussion and a vote. Motions may be passed by a majority vote of Members in good standing attending the meeting. Members speaking in favor or opposition to the motion will be afforded an opportunity to present their viewpoints. Note: Any proposed amendments to the Covenants require notarized signatures of 2/3 of the Owners in BTR before becoming official.
- Voting on motions is restricted to BTRHOA members in good standing (that is, Owners whose HOA dues have been paid for the year).
- Minutes of member meetings, along with specific actions taken, shall be kept and maintained by the BTRHOA secretary for up to seven years.

#### **Section 10: POLICY ON CONDUCT OF BOARD MEETINGS**

- The President of the BTRHOA, or designee, shall chair all meetings.
- Members are allowed to attend scheduled board meetings if they so choose, must provide their name and address, and must agree that their attendance, name, and lot number may be reflected in the minutes.
- Members, other than Board members, desiring to speak shall first be recognized by the President; time allotted for each member to speak shall be at the discretion of the President.
- Comments made by any member are to be offered in a constructive, professional manner, and may be summarized or recorded in the minutes.

#### **Section 11: FISCAL ACCOUNTABILITY**

All HOA monies shall be kept in FDIC insured accounts. Treasury Reports shall be presented by the Treasurer at each Board meeting, and an annual budget summary and forecast for the next year shall be presented at each Annual Meeting to the members at large.

The HOA Board shall maintain an insurance policy that provides liability insurance to protect the Board of Directors and the HOA.

#### **Section 12: ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, RULES, REGULATIONS OR GUIDELINES**

Scope of Policy and Rule making Authority of the Board. The Board of Directors of the BTRHOA may, from time to time, adopt or amend certain policies as may be necessary to facilitate the efficient operation of the BTRHOA, including the clarification of ambiguous provisions in other documents, or as may be required by law.

Drafting Procedure. The Board may consider the following in drafting the policy:

- I. The policies and procedures shall not contradict existing HOA Declarations, Articles of Incorporation, Bylaws and Protective Covenants,

- II. The need for such policy based upon the scope and importance of the issue and whether the BTRHOA documents adequately address the issue, and
- III. The immediate and long-term impact and implications of the policy.

Adoption Procedure. The Board may adopt policy at anytime. Upon adoption of a policy, the policy or notice of such policy, including the effective date shall be provided to all Members by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the BTRHOA's website or mailing.

Policy Book. The Board of Directors shall maintain clear copies of any and all adopted policies in a book designated as a policy book. The Board of Directors may further categorize policies, procedures, rules and regulations, resolutions and guidelines but shall not be required to do so.