

**RESOLUTION
OF THE
ASPEN VIEW PROPERTY OWNER'S ASSOCIATION, INC.
RESPONSIBLE GOVERNANCE POLICIES AND PROCEDURES**

SUBJECT: Adoption of policies and procedures for the Association regarding the following:

- I. RESERVE FUND POLICY
- II. ASSOCIATION RECORDS
- III. COVENANT AND RULE ENFORCEMENT
- IV. CODE OF CONDUCT/CONFLICTS OF INTEREST
- V. CONDUCT OF MEETINGS
- VI. COLLECTION OF UNPAID ASSESSMENTS
- VII. ADOPTION OF RULES, POLICIES, PROCEDURES OR GUIDELINES
- VIII. COMPLIANCE POLICIES
- IX. DISPUTE RESOLUTION

PURPOSES: To comply with Colorado law (See also the Colorado Common Interest Ownership Act (CCIOA) which may be reviewed at the website set forth on the attached Addendum).

AUTHORITY: The Declaration, Articles of Incorporation, and Bylaws of the Association which together with all Association Rules and Policies are referenced as the "Governing Documents". (See also the CCIOA which may be reviewed at the website set forth on the attached Addendum).

EFFECTIVE DATE: January 1, 2006

RESOLUTION: The Association hereby adopts the following Policies and Procedures subject to:

- Definitions: Unless otherwise defined, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
- Supplement to Law. The provisions of this Resolution shall supplement the provisions of the Declaration and the law of the State of Colorado governing the Condominium Project.
- Deviations. The Board may deviate from any provision of this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
- Amendment. The following policies may be amended from time to time by the Executive Board.

I. POLICY FOR RESERVE PLANNING, FUNDING & MANAGEMENT

A. Purpose: In order to keep the Project in good repair, and to sustain the market values of Members' Units, the Executive Board (the "Board") establishes this Reserve Fund policy.

B. Periodic Reserve Studies Required. Periodically the Board shall conduct a Reserve Study. The Study will:

1. Assign a reasonable useful life to each Common Element component to be maintained by the Association.
2. Assign a reasonable cost of repair or replacement to each component based on current costs for the area.
3. Set forth a 15 year repair & replacement schedule that identifies when work will be performed on each component, and which, in calculating the cost of each repair or replacement, takes into account the cost of inflation.
4. Establish a funding plan for the reserve account.
5. The Board may request assistance from the manager or a reserve study analyst to prepare the Reserve Study.

C. Annual Updates. In each year that a Reserve Study is not conducted, an update shall be performed by the manager or Board to reflect prevailing conditions, changes in costs, inflation, interest yield on invested funds, and any unexpected variations from the most recent Reserve Study.

D. Investment of Reserves. In order to minimize the amount of member contributions, the Board shall invest the funds in the Account so as to generate interest revenue that will accrue to the Fund balance. All investments shall be in the name of the Association and shall not be commingled with the Association's general operating fund. The Board shall invest funds held in the Reserve Fund to generate revenue that will accrue to the Reserve Fund pursuant to the following goals listed in order of importance:

1. Safety of Principal. The long term goal is safety of the Reserve Fund's principal.
2. Liquidity and Accessibility. Structure maturities to ensure availability of projected and unexpected expenditures.
3. Minimal Costs. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
4. Diversify. Mitigate the effects of investment volatility upon reserve assets.

5. Return. Invest funds to seek the highest level of after-tax return.

E. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured, otherwise guaranteed by the United States Government.

F. Independent Professional Investment Assistance. The Board may hire an investment counselor to assist in formulating a specific investment plan.

G. Control and Review. All accounts and investment instruments shall be subject to the approval of, and may from time to time be amended by the Board as appropriate, and shall be reviewed at least annually.

II. ASSOCIATION RECORDS

A. Retention of Records. The Association shall permanently retain the following records as required by Colorado law:

1. Minutes of all Board and Owner meetings
2. A record of all actions taken by the Board or Owners by written ballot or email in lieu of a meeting
3. A record of all actions taken by a committee on behalf of the Board.
4. A record of all waivers of the notice requirements for Condominium Unit Owner meetings, Board member meetings, or committee meetings.
5. A record of Condominium Unit Owners and the number of votes each Condominium Unit Owner is entitled to vote that permits the preparation of a list of the names and addresses of all Condominium Unit Owners.
6. Financial records sufficient to allow the association to provide a written statement setting forth the amount of unpaid assessments currently levied against any Owners Condominium Unit within fourteen days of the receipt of such request.
7. The Association's articles of incorporation and bylaws.
8. The project's Declaration and Condominium Map.
9. Copies of any resolutions adopted by the Executive Board relating to the characteristics, qualifications, rights, limitations, and obligations of Owners or any class or category of Owners.
10. Copies of all written communications within the past three years to Condominium Unit Owners.
11. A list of the names and business or home addresses of its current directors and officers.
12. The Association's most recent annual disclosure.
13. All financial audits, financial reviews or studies conducted during the immediately preceding three years.

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

1. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, 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.
2. Written Request/Purpose. The Owner shall give the Association's manager a written request, stating with reasonable particularity the records sought and the purpose for which the inspection and/or copying is sought.
3. Reasonably Available. The inspection and/or copying of the records of the Association shall be conducted after notice of at least 5 business days during normal business hours Monday through Friday, at the office of the Association or the Association's manager, or at the next regularly scheduled meeting held within 30 days of the request.
4. Use of Records. Association records shall not be used by any Owner for:
 - i. any purpose unrelated to an Owner's interest as an Owner;
 - ii. 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 Association; or
 - iii. Any commercial purpose; and records may not be sold or purchased.
5. Exclusions. The following confidential records shall NOT be available for inspection and/or copying:
 - i. Attorney-client privileged documents and records, unless the Board decides to disclose such communications;
 - ii. Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and
 - iii. Any documents, or information contained in such documents, disclosure or which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of birth personal bank account information, and driver's license numbers.

6. Security. 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 Association record. An agent of the Association may observe any inspection of records or may make copies requested by an Owner.

C. Association Disclosures to Members.

1. Association/Manager Information: The Association shall provide to all Members, at least once per year, a written notice stating the name of the Association; the name of the Association's manager, if any; and a valid physical address and telephone number for both the Association and the manager. The notice shall also include the name of the Project, the initial date of recording of the Declaration, and the reception number or book and page for the main document that constitutes the Declaration. If the Association's or manager's address changes, the Association shall provide all Members with an amended notice within ninety days after the change.
2. Annual Disclosures. Within ninety days after the end of each fiscal year, the Association shall make the following information available to Members:
 - i. The date on which its fiscal year commences;
 - ii. Its operating budget for the current fiscal year;
 - iii. A list of the Association's current assessments, including both regular and special assessments;
 - iv. Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
 - v. The results of any financial audit or review for the fiscal year immediately preceding the current annual disclosure;
 - vi. A list of all association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.
 - vii. The Association's Articles, Bylaws, and rules;
3. Disclosure Options. The Association has the widest possible latitude in methods and means of disclosure, if the required information is readily

available at no cost to Members. Disclosure shall be accomplished by one of the following means: Posting on an internet web page with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution is a Common Expense.

D. Owners Disclosures Upon Condominium Unit Sale.

1. In every contract for purchase and sale of a Condominium Unit in the Project, the Owner shall furnish to buyer, at Owner's expense, copies of the following documents when and as required by Section C.R.S. §38-33.3-223:
 - i. Bylaws and Rules and Regulation of the Association;
 - ii. Recorded Declaration;
 - iii. Minutes of the most recent annual Owners' meeting and minutes of any of the Executive Board meetings that occurred within the six months immediately preceding the Title Deadline;
 - iv. The Association's operating budget;
 - v. The Association's annual income and expenditures statement; and
 - vi. The Association's annual balance sheet.

C.R.S. §38-33.3-223 requires such documents to be mailed or delivered to the buyer before the Title Deadline contained in the sales contract.

2. The Association shall use its best efforts to accommodate a request by the selling Member for the Association's records in accordance with C.R.S. §38-33.3-317 and Section 2A and B of this Resolution.
3. On and after January 1, 2007 every contract for sale of a Condominium Unit shall contain a disclosure statement in bold-faced type that is clearly legible and in substantially the following form:

“THE PROPERTY IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR SUCH COMMUNITY. THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNER’S ASSOCIATION FOR THE COMMUNITY

AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.”

III. COVENANT AND RULE ENFORCEMENT

A. **Reporting Violations.** Complaints regarding alleged violations may be reported by an Owner or resident within the community; the Association's manager, if any; or Executive Board or committee member(s).

B. **Complaints.**

1. **Owner.** Complaints by Owners or residents shall be in writing and submitted to the Executive Board. Each written complaint shall: identify the individual making the complaint (the **Complainant**); identify the alleged violator (**Violator**), if known; set forth a statement describing the alleged violation, including the specific provisions of the Governing Documents which are alleged to have been violated; when the violation was observed; and any other appropriate 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, and may be returned to the Complainant for revision and/or clarification.
2. **Management.** Complaints by a member of the Executive Board, a committee member, or the manager may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by a committee member, Director or the manager.

C. **Investigation.** Upon receipt of a complaint, the Executive Board may investigate the alleged violation either in person, or by appointing a designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

D. **Initial Warning Letter.** If an alleged violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. Such letter shall be personally delivered, mailed to the Member at the Member's last known address by certified, return receipt requested mail or sent by e-mail to an Owner who has registered an e-mail address if the Owner confirms receipt of such e-mail notice. The Violator will have 10 days from the date of the letter to come into compliance.

E. **Continued Violation After Initial Warning Letter.** If the alleged Violator does not come into compliance within 10 days of the first warning letter, this 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 as provided in Section D above, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 10 days of the date on the second violation letter.

F. 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, shall serve a written notice of the hearing to all parties involved at least 10 days prior to the hearing date. At a minimum, the notice shall be served upon the Complainant, the Violator, and the Executive Board, if the Executive Board is not conducting the hearing.

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

H. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 10 days of the second letter, or fails to appear at the 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.

I. 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.

J. Appeals. The Violator may file a written appeal to the Executive Board of any adverse decision of a hearing committee or individual within 10 days of the decision.

K. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First violation	Warning letter
Second violation	
(of same covenant or rule)	\$ _____

Third violation

(of same covenant or rule) \$100.00

Fourth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing four or more violations in a six month period (whether such violation are of the same covenant or different covenants) may be immediately turned over to the Association's attorney for appropriate legal action.

L. Continuous Violations. Continuous violations are defined as violations of Owners obligations that are uninterrupted by time. Each day of non-compliance with such violations constitutes a separate violation. *For example: the failure to remove an unapproved balcony or terrace improvement or the continuous parking in a fire lane.*

If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a daily fine of up to \$100.00 for each day the violation, up to a maximum of 30 days, following a notice and opportunity for a hearing as set forth above. The Board need not issue a separate notice or have a separate hearing for each day of a continuous violation.

M. 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 Association Documents.

N. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through the Governing Documents and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

O. Attorney Fees. A member will be responsible for reasonable attorney's fees and costs incurred by the Association incident to the violation of any provision of the Governing Documents by the Member or any occupant in the Member's Condominium Unit.

IV. BOARD CODE OF CONDUCT - CONFLICT OF INTEREST POLICY

A. Purpose. The Executive Board of Aspen View Property Owners' Association, Inc. has the authority and responsibility to make decisions for the benefit of the entire community. The Board wishes to ensure that it and its individual Members maintain a high standard of ethical conduct in the performance of the Association's business, and to ensure that the Association's Members maintain confidence in and respect for the entire Board.

B. Board Members Shall Act in the Best Interests of the Association as a Whole. Board Members serve for the benefit of the entire community, and shall, at all times, strive to do what is best for the Association as a whole. Board Members shall not use their positions as such for private gain, for example:

1. No Board Member shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value from a person who is seeking a contractual or other business or financial relationship with the Association.
2. No Board Member shall seek preferential treatment by the Board, any of its committees, or any contractors or suppliers.
3. No Board Member shall accept employment compensation, gifts or favors made with the intent of influencing a decision or action on any official matter.
4. No Board Member shall receive any compensation from the Association for serving on the Board.
5. No Board Member shall willingly misrepresent facts to advance a personal cause or influence the community to advance a personal cause.
6. No Board Member shall use his/her position to enhance his/her, or the Member's employer's financial status through the use of certain contractors or suppliers.

The above list of examples is offered for illustration purposes only, and is not intended to be exclusive.

C. Board Members Shall Comply with Governing Documents and Relevant Law. Board Members shall use their best efforts at all times to make reasonable decisions that are consistent with the Declaration, Bylaws, and other governing documents of the Association, and to be familiar with all such documents. Board Members shall likewise comply with and make decisions that are consistent with all applicable laws, including, but not limited to, refraining from discriminating against any person on the basis of race, color, religion, national origin, gender, family status, or mental or physical disability.

D. Board Members Shall Set High Standards for Themselves as Association Members. Board Members shall hold themselves to the highest standards as Members of the Association, and shall in all ways comply with the provisions of the Association's governing documents.

E. Board Members Shall Work Within the Association's Framework and Refrain From Unilateral Action. Board Members shall at all times work within the Association's framework and abide by the system of management established by the Association's governing documents and the Board. The Board shall conduct business in accordance with state law and the Association's governing documents, and shall act upon decisions duly made, and no Board Member shall act unilaterally or contrary to such decisions. Toward that end, no Board member shall seek to have a contract implemented that has not been duly approved by the Board, nor promise anything not approved by the Board to any contractor, supplier, or otherwise.

F. Board Members Shall Behave Professionally at Meetings. Board Members shall conduct themselves at all meetings, including Board meetings, annual meetings of the Members, and committee meetings, in a professional and businesslike manner. Personal attacks against other Board Members, Association Members, residents, officers, management, or guests are not consistent with the best interests of the community and will not be tolerated. Language at meetings shall be kept professional. Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.

G. Board Members Shall Maintain Confidentiality When Appropriate. Board Members shall at all times maintain the confidentiality of all legal, contractual, personnel, and management matters involving the Association. Board Members shall also maintain the confidentiality of the personal lives of other Board Members, Association Members, residents, and management staff.

H. Board Members Shall Refrain From Defaming Anyone in Community. Board Members shall not engage in defamation, by any means, of any other Board Member, Association member, resident, or management staff member. The Association shall deem any Board Member who engages in defamation to be acting outside the scope of his authority as a Board Member.

I. Board Members Shall Refrain From Harassing Association Members or Residents. Board Members shall not in any way harass, threaten, or otherwise attempt to intimidate any other

Board Member, Association member, or resident. The Association shall deem any Board Member who harasses, threatens, or otherwise attempts to intimidate other Association Members or residents to be acting outside the scope of his authority as a Board Member.

J. Board Members Shall Refrain From Interfering With Management Staff and Contractors. No Board member shall interfere with the duties of management staff or any contractor executing a contract in progress. All communications with contractors must go through one designated Board Member or management, or must otherwise be in accordance with Board policy.

K. Board Members Shall Refrain From Using Members' Keys, Except as Authorized by Association's Governing Documents. No Board member shall use members' keys in any manner other than as outlined in the Association's official key policy.

L. Violations of Code. Violations of the Code of Conduct shall be brought to the Hearing Board, which shall be comprised of designated Board Members. In addition, the Board may elect, at its sole discretion, to appoint as Advisory Hearing Board Members, other Board Members, as well as the Association attorney, manager, and/or accountant. Any Board Member who violates this Code of Conduct agrees that the Board may seek injunctive relief against him/her, following a hearing before the Hearing Board, unless circumstances necessitate the issuance of injunctive relief prior to such hearing. The Board Member also agrees that the Association shall be relieved of posting bond as a condition to its injunctive remedy. Such Board Member must pay the attorney's fees incurred by the Board in any enforcement effort.

M. Conflicting Interest Transactions.

1. Disclosure. Board Members shall immediately disclose to the Board any perceived or potential conflicting interest transaction regarding any aspect of the business operations of the Association. The Board Member shall declare all material facts of the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on that issue.
2. Definition. A conflicting interest transactions means a contract, transaction, or other financial relationship between the Association and a Board Member or between the Association and a party related to a Board Member, or between the Association and an entity in which a Board Member is a director or officer or has a financial interest. The provisions of the Act and the Colorado Revised Nonprofit Act will apply to all situations where a conflicting interest transaction is present. See Addendum, C.R.S. §7-128-501.

3. No loans. No loans shall be made by the Association to any Board Member Director or Officer.

V. CONDUCT OF MEETINGS

A. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

1. Notice.

- i. In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted within the Condominium Project at least seven days prior to each such meeting, or as may otherwise be required by Colorado law. The Association shall also post notice on its website (if any) of all meetings. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Executive Board.
- ii. If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall, if it has such capability, send notice of all Owner meetings to such Owner at the email address provided at least 24 hours prior to any such meeting.

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

- i. The President of the Association or Board designee shall chair all Owner meetings.
- ii. All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting)
- iii. Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.
- iv. Anyone wishing to speak must first be recognized by the Chair.
- v. Only one person may speak at a time.

- vi. Each person who speaks shall first state his or her name and Condominium Unit address.
- vii. Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
- ix. Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
- x. Comments are to be offered in a civilized manner and without profanity or personal attacks. Comments are to be relevant to the purpose of the meeting.
- xi. 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 answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.
- xii. All actions and/or decisions will require a first and second motion.
- xiii. Once a vote has been taken, there will be no further discussion regarding that topic.
- xiv. Minutes of actions taken shall be kept by the Association.
- xv. 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.
- xvi. The Chair may establish such additional rules of order as may be necessary from time to time.

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

- i. All contested elections of Board Members shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws

shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

- ii. All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Executive Board including acclamation, by hand, by voice or by ballot, unless otherwise required by law. Secret ballots are required upon a vote of 20% of a quorum of Owners.
- iii. Written ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Condominium Unit Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the meeting. The volunteers shall not be Board Members and, in the case of a contested election for a Board position, shall not be candidates.
- iv. The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

4. Proxies.

- i. Written or electronically transmitted fax or e-mail proxies may be given by any Owner as allowed by C.R.S. 7-127-203. See Addendum for a copy.
- ii. All proxies shall be reviewed by the Association's Secretary or designee as to the following:
 - (a) Validity of the signature
 - (b) Signatory's authority to sign for the Condominium Unit Owner
 - (c) Authority of the Condominium Unit Owner to vote
 - (d) Conflicting proxies

- (e) Expiration of the proxy.

B. Board Meetings. Meetings of the Executive Board of the Association shall be called pursuant to the Bylaws of the Association.

1. Conduct.

- i. All Board meetings shall be governed by the following rules of conduct and order.
 - (a) The President of the Association, or designee, shall chair all Board meetings.
 - (b) All persons attending a meeting of the Board shall be required to sign in, listing their name and Condominium Unit address.
 - (c) All Owners or their representative 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 or their representative wishing to speak during the Owner Forum shall so indicate so at the time of sign in.
 - (d) Anyone desiring to speak shall first be recognized by the Chair.
 - (e) Only one person may speak at a time.
 - (f) Each person speaking shall first state his or her name and Condominium Unit address.
 - (g) Any person who is represented at the meeting by another person as indicated by a written instrument shall be permitted to have such person speak for them.
 - (h) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
 - (i) 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.
 - (j) 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 be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.

- (k) Minutes of actions taken shall be kept by the Association.
- (l) 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.

2. Owner Input. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Executive Board, Owners 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 Executive Board votes to open the discussion to further Owner participation.

VI. COLLECTION OF UNPAID ASSESSMENTS

A. Purpose of Aspen View Property Owners' Association, Inc. Collection Policy. One of the many advantages of living in a community association is sharing with other Members the costs of certain maintenance, repairs, and amenities that are often too expensive for a single Owner. All Members are legally bound to share those costs. To properly maintain the Common Elements, it's imperative that all assessments, whether regular or special, be paid in full and on time. Delinquencies throw the association's entire budget off course and negatively affect all Members' property values and lifestyles. To adequately maintain our community, state statutes and our Governing Documents give the Executive Board the authority to impose and collect assessments and other allowable charges from Members. In fact, the Board owes a duty to all Members to make sure everyone pays. The has adopted the following policy to fulfill its duty in a fair, systematic, and impartial manner.

1. Common Expenses. The term "common expense" refers to any amount a member must pay to Aspen View Property Owners' Association, Inc. Among the charges it includes are regular annual assessments, special assessments, rules violation fines, late fees, common area repairs, and any other fees, interest, or charges imposed under this policy.
2. Where to Send Payment. Deliver all payments to the Association as follows:

Aspen View Property Owners' Association, Inc.
P.O. Box 8845
Breckenridge, Colorado 80424
3. When Common Expenses Are Due. Assessments are due in advance on the first day of each year. For convenience, Members may pay their annual assessments in equal quarterly installments on the first day of each month. Unless otherwise stated, other common expenses are due ten (10) days after of notice of Members' obligation to pay. If a member does not pay in full any common expense by its due date, that payment is delinquent.
4. Collection Process.
 - i. After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the manager shall send a written notice of non-payment ("First Notice"). The First Notice shall state the amount past due; that interest and late fees have accrued and the amount thereof, and shall request immediate payment.

- ii. After an installment of an annual assessment or other charge due to the Association becomes more than 60 days delinquent, the manager Agent shall send a second written notice of non-payment (“Second Notice”). The Second Notice shall state the amount past due, that interest and late fees have accrued and the amount thereof; shall provide notice of the Association’s intent to file a lien; and shall request immediate payment.
- iii. After an installment of an annual assessment or other charge due to the Association becomes more than 90 days delinquent, the manager shall turn the account over to the Association’s attorney for collection. Upon receiving the delinquent account, the Association’s attorney shall file a lien and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association’s attorney may file a lawsuit or pursue other remedies authorized by this Resolution or the Governing Documents. A delinquent Owner must pay reasonable attorney’s fees incurred by the Association together with costs, applicable interest and late fees, whether or not suit is initiated.

5. Late Payments. Once a common expense is delinquent, the Board may take any or all of the following actions:

- i. Accelerate the balance for the rest of the year. In the event that any Member’s monthly assessment remains unpaid for more than fifteen (15) days after the due date, the Association may, in its discretion, and in addition to any other remedies that may exist with respect to such delinquency, declare the entire remaining balance of such Member’s annual assessment for that fiscal year immediately due and payable upon ten (10) days’ written notice to the Member to that effect.
- ii. Late fees and interest. If Aspen View Property Owners’ Association, Inc. does not receive payment for any common expense in full on or before the thirty (30) days after it becomes due, the delinquent member shall pay liquidated damages for Aspen View Property Owners’ Association, Inc.’s time, inconvenience, and overhead in collecting the late payment, as follows:
 - (a) a \$_____ per month late fee; and

- (b) interest at a 21% Annual Percentage Rate from the original due date until the date of payment.

These charges will be treated as common expenses.

- (iii) Returned check fees and bank charges. In addition to any late fee that may be applicable, for each check to Aspen View Property Owners' Association, Inc. that is returned by a bank for any reason, the member who wrote the check shall pay the following charges:
 - (a) liquidated damages in the amount of \$_____; and
 - (b) any related bank charges that Aspen View Property Owners' Association, Inc. incurs because of the returned check.

These charges will be treated as common expenses.

- (iv) Suspend privileges and access to amenities. If an account contains delinquencies for more than sixty (60) days or has an outstanding balance of \$500 or more, the Association will give the member thirty (30) days' notice of intent to suspend any or all of the following privileges:
 - (a) Voting privileges;
 - (b) Use of any recreational amenities;

Unless Aspen View Property Owners' Association, Inc. receives full payment by the end of the notice period, the privileges or amenities listed in the notice will be suspended.

- 6. Crediting Late Payments. All delinquent accounts remain delinquent until paid in full. No partial payments will waive Aspen View Property Owners' Association, Inc.'s right to pursue full payment and/or to enforce the provisions of this policy. The Association will apply partial payments to the outstanding balance in the following order:
 - i. Fines, late fees, and interest;
 - ii. Court costs, attorney's fees, and other costs of collection;
 - iii. Special assessments; and
 - iv. Regular assessments, with payment being applied to the oldest balance first.
- 7. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual or special assessment of any delinquent account. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

8. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee within fourteen(14) days after written request to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's Condominium Unit for a \$_____ fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.
9. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Condominium Unit within the Association, the manager shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
10. Notices. The Association shall cause a collection or demand letter or notice to be hand delivered or sent to a delinquent Owner at the registered or last known address by regular mail. The Association may, but shall not be required to send, an additional copy of that letter or notice by e-mail or certified mail.
11. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent the waste and deterioration of the property.
12. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.
13. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
14. Communication with Owners. All communications with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board

of Managers shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

15. Defenses. Failure of the Association to comply with any provisions 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.

VII. ADOPTION OF RULES, POLICIES, PROCEDURES OR GUIDELINES.

A. Scope. The Executive Board of the Association may, from time to time, adopt rules, policies, procedures or guidelines (“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 encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures with adopting any Policy.

B. Drafting Procedure. The Board shall consider the following in drafting the Policy:

1. Whether the Governing Documents or Colorado law grants the Board the authority to adopt such a Policy.
2. Does the rule make sense?
3. Is this the least restrictive way to approach the issue?
4. Is this rule still needed?
5. Does it address a current problem?
6. Is it acceptable to residents?
7. Is the rule enforceable?

C. Notice and Comment. Notice of the proposed Policy shall be provided to all Owners or posted on the Association’s website, if any, and Owners shall be allowed a minimum of 3 days to provide comment and/or feedback on the proposed Policy. Notice of the proposed Policy will also be given on the Board’s regular or special meeting agenda.

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

E. Adoption Procedure. After the period for Owner comment expires, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy, including the effective date shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the Association’s website (if any) or mailing.

F. Policy Book. The Executive Board shall keep copies of any and all adopted Policies in a book together with all other Governing Documents.

- G. Owner Education. On at least an annual basis the Association will provide Owners with education as to general operations and rights and responsibilities of the Owners and the Association under the Governing Documents.

VIII. COMPLIANCE POLICIES

The policies adopted hereunder are adopted in conformity with the 2005 AND 2006 amendments to the Colorado Common Interest Ownership Act, 38-33.3-101, et seq, C.R.S., which are generally known as SB 100 and SB 89. It is the Association's intent that the policies set forth in this Resolution and Colorado law will prevail over contrary provisions in the Association's Governing Documents.

The Association adopts the following policies with regard to the following items addressed in SB 100 and 89:

A. Xeriscape: The Board shall not adopt any regulation or take any action that prohibits or limits xeriscape, prohibits or limits the installation or use of drought-tolerant vegetative landscapes, or requires cultivated vegetation to consist exclusively or primarily of turf grass, all as more specifically set forth and defined in Section 37-60-126, C.R.S.

B. Prohibitions contrary to public policy - patriotic and political expression - emergency vehicles - fire prevention - definitions. The Association shall not prohibit any of the following:

1. The display of the American flag by a Member on that Member's property, in a window of the Member's residence, or on a balcony adjoining the Member's property if the American flag is displayed in a manner consistent with the federal flag code, P.L. 94-344; 90 stat. 810; 4 U.S.C. 4 to 10. The Association may adopt reasonable rules regarding the placement and manner of display of the American flag. The Association rules may regulate the location and size of flags and flagpoles, but shall not prohibit the installation of a flag or flagpole.
2. The display by a Member of a service flag bearing a star denoting the service of the Member or a member of the Member's immediate family in the active or reserve military service of the United States during a time of war or armed conflict, on the inside of a window or door of the Member's residence. The Association may adopt reasonable rules regarding the size and manner of display of service flags; except that the maximum dimensions allowed shall be not less than nine inches by sixteen inches.
3. The display of a political sign by a Member or in a window of the Member's Condominium Unit; except that the Association may prohibit the display of political signs earlier than forty-five days before the day of an election and later than seven days after an election day. The Association shall permit at least one political sign per political office or ballot issue that is contested in a pending election, with the maximum dimensions of thirty-six inches by forty-eight inches, on a Member's property.

As used in this subparagraph 3, "political sign" means a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue.

C. Parking of Emergency Vehicles: The Association shall not prohibit the parking of a motor vehicle by a Condominium Unit occupant on a street, driveway, or guest parking area if the vehicle is required to be available at designated periods at the occupant's residence as a condition of employment and all of the following criteria are met:

1. The vehicle has a gross vehicle weight rating of ten thousand pounds or less;
2. the occupant is a bona fide member of a volunteer fire department or is employed by a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services;
3. The vehicle bears an official emblem or other visible designation of the emergency service provider; and
4. Parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Condominium Unit Owners to use streets and driveways within the common interest community.

D. Amendments to Declaration: Regardless of the provisions of Section 14.1 of the Declaration, and in accordance with Section 38-33.3-217, C.R.S., the Declaration may be amended by an affirmative vote of no less than 67% of the Owners.

E. Audit/Review: At the discretion of the Board, if the Association's revenues or expenditures are more than \$250,000 or upon request of at least 1/3 of the owners, the Association shall be subject to an audit or a review using statements on standards of accounting and review services. The audit or review will cover the Association's financial statements, which shall be prepared using generally accepted accounting principles.

IX. DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

Declarant, the Association and its officers, directors, and committee Members, all Members and persons subject to the Declaration and any person not otherwise subject to this Declaration who agrees to submit to this policy (collectively, “Bound Parties”), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Project without the emotional and financial costs of litigation. Accordingly, each Bound Party may not file suit in any court with respect to a Claim described below unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth below and engaged in a good faith effort to resolve such Claim.

- A. Claims. As used in this policy, the term “Claim” refers to any claim, grievance, or dispute arising out of or relating to:
1. the interpretation, application, or enforcement of the Governing Documents;
 2. the rights, obligations and duties of any Bound Party under the Government Documents; or
 3. the design, modification or construction of improvements within the Project, other than matters of aesthetic judgment, which shall not be subject to review;

except that the following shall not be considered “Claims” unless all parties to the matter otherwise agree to submit the matter to the procedures set forth below:

- i. any suit by the Association to collect assessments or other amounts due from any Owner;
- ii. any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the Court may deem necessary in order to maintain the status quo and preserve the Association’s ability to enforce the provisions of the Governing Documents;
- iii. any suit between Owners, which does not include the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;
- iv. any suit in which any indispensable party is not a Bound Party;
- v. any suit as to which any applicable statute of limitations would expire within 60 days of giving the Notice required to assert a claim, unless

the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article; and

- vi. Any Covenant or Rule Enforcement action by the Association as provided in Section III, except that prior to commencement of any civil action Mediation will occur as provided below.

B. Dispute Resolution Procedures.

1. Notice. The Bound Party asserting a Claim (“Claimant”) against another Bound Party (“Respondent”) shall give written notice to each Respondent and to the Board stating plainly and concisely:
 - i. the nature of the Claim, including the Persons involved and the Respondent’s role in the Claim;
 - ii. the legal basis of the Claim (*i.e.* the specific authority out of which the Claim arises);
 - iii. the Claimant’s proposed resolution or remedy; and
 - iv. the Claimant’s desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.
2. Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.
3. Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the notice described in subsection 1 above (or within such other period as the parties may agree upon), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in Colorado.

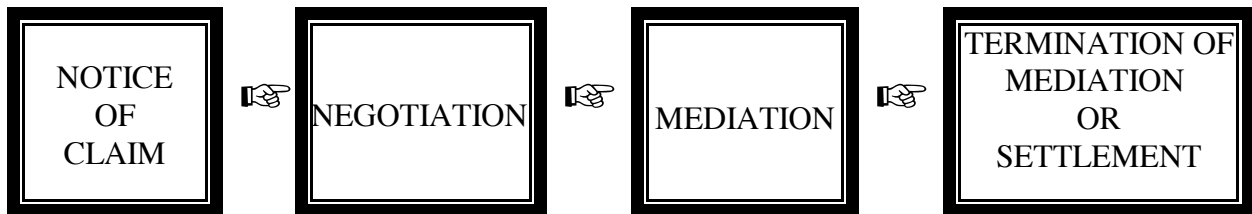
If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such

Claim.

If the Parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Party shall bear its own costs of the mediation, including attorneys' fees and each Party shall share equally all fees charged by the mediator.

4. Alternative Dispute Resolution Process



5. Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In the event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

6. Litigation - Attorney Fees. If a lawsuit is initiated to enforce or defend any provision of CCIOA or the Governing Documents, the court shall award the prevailing party reasonable attorney's fees and costs of collection. If a Condominium Unit Owner prevails in any civil action, the Association may not assess the successful litigant for attorney fees or costs incurred by the Association.

ADDENDUM

- A. Colorado Common Interest Community Ownership Act. CRS §38-33.3-101 et seq. Log onto www.dora.state.co.us/real-estate click on Real Estate Commission on right hand side of the screen, click on Manual on left hand side of screen, click on Chapter 4, CCIOA starts on Page 28 and ends on Page 44.
- B. Conflicting Interest Transactions, CRS §7-128-501 (attached).
- C. Proxies, CRS §7-127-203 (attached).