

HOMESTEAD OWNERS ASSOCIATION INC.

General Policies

(Adopted by Resolution 2012-1)

Definition of Policy:

A “*Policy*” is defined as anything that expresses a “*Value, or Perspective that causes Actions.*” It is through a system of written policies we establish the beliefs, values and objectives of the Association. The statements listed below are the Official Policies of the Association. The purpose of these policies is to provide a clear statement of what we (the members and the leadership) are about; what are our standards, values and perspectives. This provides a means to communicate, organize and focus the resources of the Association.

HOMESTEAD OWNERS ASSOCIATION INC.

Process to Amend HOA Rules, Policies and Procedures

Adoption. The Board of Directors shall place any proposed amendment to HOA rules, policies and/or procedures on its agenda, such agenda to be published at the Homestead Court Club and on the HOA website at least seven days prior to the meeting. After adoption at the regularly scheduled meeting by the BOD, the BOD will give association members fifteen (15) days written notice (in the monthly newsletter under Board meeting notes) of the adopted amendment. The notice will give members the date/place/time of the next board meeting so that any owner may give input to the BOD regarding the amendment.

Deviations. The Board may deviate from the procedures set forth in this Process to Amend HOA Rules, Policies and Procedures, if in its sole discretion such deviation is reasonable under the circumstances and in the best interest of the Association.

HOMESTEAD OWNERS ASSOCIATION INC.

Accounting and Investment of Reserve Funds Policy

Homestead Owners Association Board of Directors and management must understand the fiduciary duties to the property owner and the Association while practicing sound business judgment by following generally accepted accounting principles.

The replacement reserves shall be invested in such amounts as may be authorized by the Board of Directors in accordance with the following policy and is bound by the standards set out in section 7-128-401 of the revised Colorado Nonprofit Act.

1. No funds shall be deposited or invested except in authorized investments.
Authorized investments are those that are in accordance with the Senate Bill 100-

- 05 and with the declaration and bylaws of the Homestead Owners Association and that are obligations of, or fully guaranteed by, the U.S. government.
2. All accounts, instruments, and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the board of directors as appropriate, and they shall be reviewed at least every two years.
 3. Investments shall be guided by the following goals, listed in decreasing order of importance: (A) Safety of principle. The long-term goal is safety of the replacement reserves and to promote and ensure the preservation of the reserve fund's principal. (B) Liquidity and accessibility. Funds should be readily available for projected or unexpected expenditures. This will be achieved by structuring maturities to ensure availability of assets for that time when reserve analyses anticipate needs. (C) Minimal costs. Investment costs (redemption fees, commissions, and other transaction costs) should be minimized. (D) Professional management. Funds should be invested with professional managers who have good reputations and sound credentials. (E) Return. Funds should be invested to seek the highest level of return that is consistent with preservation of the purchasing power of the principal and accumulated interest and work to mitigate the effects of interest rate volatility upon reserve assets.

HOMESTEAD OWNERS ASSOCIATION INC.
Notice of Meetings and Meeting Procedure Policy
(Adopted by Resolution 2011-2)

Parliamentary Procedures - Board Meetings:

The meetings of the Board of Directors will be conducted in accordance with Roberts Rules of Order as revised or such other written procedures adopted by the Board of Directors in advance of any meeting.

Protocol and Conduct of Members:

1. Members of the Board will conduct themselves in a respectful manner to other members of the Board. They will not publicly or privately ridicule anyone.
2. A Director will have the right to propose any matter as a priority consideration that may be at a variance to these Policies and Procedures. A Director will at all times, subsequent to a vote, support the decisions of the majority of the Board regardless of the position that Director has taken at the time of the vote.
3. A Director will be loyal to the Association and conform to the Association's policies.
4. A Director will not have private meetings with other members of the Board in which business of the Association is discussed. The principal is that all members of the Board must be privy to all discussions and deliberations of the Board.
5. No Director will assume or is vested with any authority to direct a member, contractor, agent or employee of the Association. The authority of a Director is limited to the vote upon policies of the Association and participation in the meetings of the Board.

6. The Board will speak through its Chairperson and its written policies. No member of the Board will have greater powers than another Director.

Violations and Sanctions:

Any conduct or conflict of interest policy violation will be considered by the Board and sanctions may be taken. Any sanction must be appropriate to the circumstances. However, in the consideration of sanctions, it will be the duty of the Board to report to the membership any infraction of these policies or the Governance of the Association to the membership. In addition it will be each Director's responsibility to assure that these policies are enforced through the mechanisms of the Board.

Chairperson:

It will be the duty of the Chairperson of the Board to call and convene meetings of the Board as is necessary. For purposes of this section the President of the Association will act as the Chairperson of meetings of the Board. In the absence of the Chairperson the Vice-President will act as the Chairperson

Committees of the Association:

All Committees will be established by the Board of Directors and will be accountable to the Board. Committee members shall serve at the pleasure of the Board and may be removed without cause.

Appointees to a Committee will conform to establish ethical standards. No appointment to a committee will be considered if the appointee has the potential of using the office in a manner that would extend the personal interests of that member or a group of members. A committee member will not serve to represent the personal interest of any member of the association, group of members or themselves. They will strive to serve the general welfare and interests of all of the members without any consideration of individual benefits.

Committee members accept the duties of a committee person and may serve so long as they may conform to these Standards of Care and Conduct. It will be the duty of any appointee to any committee to promptly remove themselves from any deliberation in which would be a conflict of interest or a violation of these Standards of Care and Conduct. It will be the duty of all Directors to assure that these standards are enforced. As such, it will be the duty of a Director to report any violation of these Standards of Care and Conduct to the Committee Chairperson or to the Board of Directors, as the case requires.

A member of a Committee will be available to perform such tasks and duties as are assigned. It will be the duty of the member of the Committee to promptly submit a notice of resignation at any time that he or she finds that they will not be able to fulfill the duties of the position. Included in the consideration is the attendance of meetings, the review and study of matters and reference to authorities on the subject. They will make reasonable inquiry concerning the subject and regarding the trustworthiness of the authority. Any committee chair person shall meet the same requirements as are set forth for Board members.

Standing Committees:

Design Review Committee: The purpose of the Committee is to review and recommend to the Board Design & Maintenance Standards of those improvements that are within the jurisdiction of the Association. The Committee does not perform any duty which will be executive in nature. The duty of the Committee is to recommend a coherent system of Architectural Standards. These Standards will be adopted or amended by the Board of Directors and distributed to the members. The administration of Architectural Standards and guidelines will be separately performed by Management (Staff). Management will exercise the authority of the Association to administer these policies. Management will have the authority to make judgments so long as they are reasonably within the goals and objectives established by these Standards.

Nominations and Elections Committee: This Committee will have the duty and obligation to choose from eligible candidates the individuals who have demonstrated the highest quality and standards necessary and appropriate for the position. Among the factors that should be considered are: (1) Trustworthiness; (2) Experience in the area; (3) Open Minded; (4) Availability; (5) The ability to Conduct themselves in a consistent and diligent manner; (6) Integrity.

Ad-Hoc Committees:

Temporary Committees serving the Board to research and recommend policies and alternatives to the Board of Directors.

Notice of Members of Board Meetings - the Rules of Conduct:

Members of the Board of Directors will by acceptance of the position of Director agree to comply with these rules of conduct and with the rules generally provided in Roberts Rules of Order, Homestead Bylaws and Declaration of Covenants, and Homestead Conditions and Restrictions.

Meetings will be noticed to the members of the Board and will be posted on the Homestead web site and on the community bulletin board at the Homestead Court Club. This notice will be posted at least 7 days before the meeting. Owners will receive notice for annual or special member (owner) meetings per the requirements of the HOA Declarations (no less than ten days or no more than fifteen days written notice); in addition to such notice will be posted electronically on the HOA's website and physically posted in a conspicuous location at the main office located in the Homestead Court Club.

The rules of the meeting (agenda, length of time anyone may speak to any issue, e.g., etc.) will be set by the presiding officer. Owners have the right to attend Board Meetings. They may speak before the Board votes on any issue subject to reasonable time constraints established by the Board which unless otherwise established due to meeting agenda, such time shall be 2 minutes. After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the directors, owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion for an allotted time.

Executive Sessions of the Board - the Rules of Conduct:

It will be the Policy of Board of Directors to adjourn meetings of the Board to an executive session after announcing in open session the general purpose of the executive session. Executive sessions of the Board will be confidential and no member of the Board will divulge the contents of the discussion without the express approval of a majority of the Board who were in attendance at the meeting. Further, no decisions of a policy nature effecting the general membership will be made in an executive session. If there is a decision that affects the general membership which by its nature would compromise the ability of the Association to discharge their duties, this decision will be only made in executive sessions if no other means are available.

The Board will at all times comply by CRS 38-33.3-308 as a general statement items in which executive sessions are usual and appropriate includes the following: (1) Legal matters containing information that is privileged and should remain confidential between the affected parties. (2) Hearings and disputes between a member and the Association in which the member has requested a closed hearing. (3) Human Resource/personnel information, including contract information and contract negotiations.

Hearings, Town Hall Meetings and Workshops of the Board - the Rules of Conduct:

Purpose of Meetings:

These meetings are for the purpose of gathering information and opinions. The meetings will not be used for the purpose of adopting policies or procedures of the Association. A matter will be deferred to the appropriate authorities, Board or Management. Hearings: These meetings can be under the direct control of the Board, a standing committee of the Association or a special committee so long as the committee has been authorized in their charter to hold meetings. Notice to hearings will be posted in the same manner as meetings of the Board, except if the hearing is a hearing in a matter, which would be not open as provided under the provisions of executive meetings; then no such notice will be posted.

Town Hall Meetings:

Will be for the purpose of receiving information from the general membership or to provide answers to the general membership. These meeting may also be used for the annual Homeowner education meeting as laid out in the Homeowner education policy. These meetings will not be a "Membership Meeting" in which decisions will be made or policies established or procedures developed. Notice to said meetings will be posted in the same manner as meetings of the Board.

Parliamentary Procedures - Membership Meetings:

Generally, there will be three (3) types of Membership Meetings: Type 1 is the "Annual Meeting of the Members"; Type 2, Special Membership Meeting called by the Board for the purpose of resolving issues reserved to the membership; Type 3, Special Membership Meeting called by a petition of the membership, as prescribed by the Association's Bylaws.

Chairperson of Membership Meetings:

The President of the Association will act as the Chairperson of all membership meetings. No petition or action of the membership will purport to replace the Chairperson. All official meetings of the Association will be under control of a properly appointed person serving at the direction of the Board of Directors. Any action or attempted action by members to replace the Chairperson may only be done upon strict adherence to the Bylaws and statutes that control the removal of a member of the Board or the recall of the entire Board of Directors. No business shall be conducted at any member meeting other than such business that was specifically noticed in the agenda.

Protocol and Conduct of Meetings:

All meetings of the membership in which a vote will be taken must have given at least fifteen (15) days notice as provided in the Bylaws of the Association of any action or proposed action. Secret ballot can be requested by 20% of owners present or in person. It will be a violation of this policy to consider actions at a duly constituted meeting in which a quorum is present if the issue or topic has not been fully disclosed to all of the membership at least fifteen (15) days prior to the meeting or vote. No proxy will be valid unless the matters have been fully disclosed to the member giving the proxy and the right of any member to instruct the proxy holder. It will be presumed that proxies presented to the Association will remain in effect if the proposed information has been provided to each proxy giver at least fifteen (15) days before the meeting. Amendments at a meeting concerning the proposed matter before the membership will not be allowed.

Meetings will be held in accordance with Roberts Rules of Order as amended or such other written procedures adopted by the Board in advance of the meeting.

The Association's secretary or such person(s) designated by the Secretary shall check in owners attending in present upon the Membership List prepared in accordance with Colorado Law. Additionally, upon receipt by the Association, the Association Secretary, or such person designated by the Secretary, shall register the proxy in the meeting voting list prepared in accordance with the Colorado Revised Non-Profit Corporation Act. The Association shall retain proxies used in accordance with the requirements of C.R.S. 38-33.3-317.. Additionally, the Association may review any power of attorney used to assign voting rights from one owner to an owner attending the meeting and so long as such power of attorney is executed and delivered in accordance with state law, the Association shall return such power of attorney to the owner's agent.

The Association shall prepare a Members List indicated the names and addresses of those owners entitled to vote at a meeting of the Members in accordance with CRS 7-127-201. The Member List shall be made available for inspection 24 hours prior to the meeting and thereafter.

Proxies delivered to the Association will be binding upon the Association in accordance with Colorado law, however, the Association has no affirmative duty to notify the person to which the proxy was conveyed and received by the Association.

Electronic Communication – Board and Committee Meetings:

(Adopted by Resolution 2006-2 and 2011-1)

Notice:

Meetings of the Board (regular, executive, special, or committee) may be noticed to Board members by first-class mail or by 48 hours' notice (seven days notice to the general membership for regular meetings.) delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means; provided, however, that notice need not be given to any Board member who has signed a written waiver of notice by these means. An agenda for all regular meetings shall be prepared by the president or by management under the direction of the president.

Teleconferencing:

Members of the Board may participate in a meeting through the use of a conference telephone or similar communications equipment, so long as all members participating in the meeting can hear one another. It is necessary that Board members be able to confer with each other in order to comply with their legal duties. A teleconference is a meeting of the Board in which Board members are in different locations, connected by electronic means, through audio, video or both. The Board may typically use teleconferences for all purposes in connection with any meeting of the Board of Directors. All votes taken during a teleconference meeting shall be by roll call. The teleconferencing members participation will count toward the in person quorum. All teleconferenced meetings shall be conducted in the same manner that protects the statutory rights of the members, including the right of the membership to address the Board. All Board policies and association bylaws shall apply to board meetings that are teleconferenced.

Discussion:

Members of the Board may use any technology to discuss matters of importance to the Association prior to any meeting of the Board. This discussion must include/copied to ALL Board members. This discussion is limited in that no policy, vote, or decision can be made by means of this discussion. All Board policies and Association bylaws (including the protocol and conduct of members policy, and Board member conflict of interest policy) shall apply to any discussion by electronic means.

HOMESTEAD OWNERS ASSOCIATION INC.
Risk Management Standards and Insurance Claims Policy

Insurance: It will be the Policy of the Association to have sufficient coverage in policies of insurance in the forms that are ordinary for Associations of this nature. Deductibles will be a common expense for losses that occur on the properties of the Association subject to certain written exceptions. Limits of coverage shall be as is customary and ordinary.

Claims: Homeowners submitting claims to any of Homestead Insurance carriers listed on the general information sheet must first notify the Associations general office. The Association may elect to cover any claims presented from the ownership, in order to keep premiums down. If requested the owner must allow the Board reasonable opportunity to

inspect the claim and determine if the subject matter of the claim is within the associations insurance responsibility. Claim contact numbers are provided on the general information sheet.

**HOMESTEAD OWNERS ASSOCIATION INC.
Owner and Board Member Education Policy**

Director education: Homestead Owner Association will reimburse Directors for attending educational meetings and seminars on responsible governance of the Association, by the Board as a common expense.

Owner Education: Homestead Owners Association offers an hour-long orientation program throughout the year. Please contact the Member Services Office for more information at (970) 926-1067

This event is geared toward anyone who wants a brief overview of the services Homestead Owners Association provides. The first part of the program will give attendees a history of Homestead and describe amenities and facilities that are open to the public. Homestead staff will present this section. The second part of the orientation will be focused on services that members receive including the private amenities, explanation of all governing documents including; architectural standards, bylaw, policies, rules and regulations and other information helpful to homeowners. Homestead's legal representation will present the final portion. Conclusion will be a question and answer session.

In addition or in place of the above, the Association will also provide annual educational opportunities at the annual meeting which may include presentations from Homestead's legal counsel or other industry professionals familiar with homeowners associations.

The orientations are presented at the Homestead Court Club community room. Call for dates (970) 926-1067, or check the Web site calendar.

Homestead Owners Association Inc. hosts special orientations in order to inform and educate new and existing members. All members are invited to attend these programs sponsored by Homestead.

**POLICY OF
THE HOMESTEAD OWNERS ASSOCIATION, INC.
REGARDING POLICIES AND PROCEDURES FOR COVENANT AND RULE
ENFORCEMENT**

(Adopted by Resolution 2020-10-1)

WHEREAS, the Declaration of Homestead Owners Association, as amended, grants the Board of Directors of Homestead Owners Association and its agents

(“Association”) with the power to enforce all covenants, restrictions, easements and charges contained in the Declaration and Guidelines. The Board of Directors desires to promote the health, safety and general welfare of all residents within the Association and to enhance and protect the value, desirability, and attractiveness of all property within the community.

The following covenant enforcement procedures will be followed:

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

2. Complaints.

(a) Complaints by Owners or residents shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant (“Complainant”), the alleged violator (“Violator”), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

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

(c) The following complaints shall be reported to local authorities:

I. Pet violations and complaints should be reported to Eagle County Animal Control, 970-328-3647 or animalservices@eaglecounty.us. See also Section 5.5 of the Amended and Restated Declaration and the First Amendment to the Restated Declaration.

II. Wildlife issues should be reported to the Division of Wildlife at 970-947-2920

III. Speeding and parking on public streets and right-of-ways complaints should be reported to the Eagle County Sheriff’s non-emergency number, 970-479-2201. See also Section 5.13 of the Amended and Restated Declaration and the First Amendment to the Restated Declaration.

IV. Public road & sidewalk maintenance and conditions comments should be reported to Eagle County Road and Bridge Department, 970-328-3540

V. Loud parties and noise violations should be reported to the Eagle County Sheriff's non-emergency number, 970-479-2201. See also Section 5.10 of the Amended and Restated Declaration and the First Amendment to the Restated Declaration.

VI. Trailer/RV/Snowmobile Parking policies defines "loading and unloading" as:

- The resident must notify the General Manager prior to parking any of these items in their driveway if they plan to leave them for 4 hours or more.
- If parking for 4 hours or less, no notification is required.
- After notification, the resident may leave it there for up to 48 hours maximum.
- After the 48 hours, the RV/Boat/Trailer/Snowmobile/Etc. must leave the driveway for at least 48 hours.
- Parking of these items will only be allowed no more than 8 days per month total, with no more than 48 hours per notification to the DRC.
- Class "B" Vans and pickups with bed toppers, that are daily drivers are not considered RV's.

3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

4. Initial Warning Letter. If a violation is found to exist, an initial warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have 10 days from the date of the letter to come into compliance. The foregoing procedure will not be used, however, in the event the violation is determined by the Board to be a Repetitious Violation as defined in paragraph 13 of this policy. In such event, the procedure outlined in paragraph 13 shall be followed.

5. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within 10 days of the initial 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 and subsequent letter(s) shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter(s) 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 violation letter. The foregoing procedure will not be used, however, in the event the violation is determined by the Board to be a Repetitious Violation as defined in paragraph 13 of this policy. In such event, the procedure outlined in paragraph 13 shall be followed.

6. 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.

7. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an "Impartial Decision Maker." An Impartial Decision Maker is

defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.

8. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator are required to be in attendance at the hearing. The Impartial Decision Maker 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 Impartial Decision Maker shall, within a reasonable time, not to exceed 10 days, render its written findings and decision, and impose a fine, if applicable. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

9. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 10 days of any letter, or fails to appear at any hearing, the Impartial Decision Maker shall 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.

10. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Violator within 10 days of the hearing, or if no hearing is requested, within 10 days of the final decision.

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

12. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations: (modified by resolution 2020-10-1)

First violation	Warning letter
Second violation (of same covenant or rule)	\$250.00
Third and subsequent violations (of same covenant or rule)	\$500.00

Third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing 3 or more violations in a 6 month period (whether such violations are of the same covenant or different covenants) may be immediately turned over to the Association's attorney for appropriate legal action.

13. Repetitious Violations. Repetitious Violations are defined as a series of identical or substantially similar individual violations that occur repeatedly or continuously within a period of time to be determined in the discretion of the Board, with each individual violation separated by a period of no less than 1 day, nor more than 90 days, the result of which is a pattern of violations of the same covenant restriction. In the event of such Repetitious Violation, in the discretion of the Board, each instance of noncompliance may constitute a separate violation, and the Board shall not be required to provide a period of 10 days from each violation for the alleged Violator to come into compliance. A warning letter shall be sent for the first violation in the series. After the warning letter, the Board may cause violation notices to be sent for each violation in the series stating the amount of the fine to be imposed (pursuant to the Fine Schedule in paragraph 12), and giving notice and an opportunity for a hearing. The Board shall individually consider each violation for which a hearing is requested, but is permitted to combine any and all hearings requested for Repetitious Violations on one date.

Examples of Repetitious Violations include, but are not limited to repeatedly or continually parking a restricted recreational vehicle in the community, repeated failure to remove and store a portable basketball hoop, or failure to remove excessive weeds growing on a lot. In each one of these examples, the Owner will receive a warning letter on the first instance of the violation. On the second instance of the violation, the owner will receive a \$250.00 fine letter, and notice and opportunity for a hearing. On the third instance of the violation, the owner will receive a \$500.00 fine letter and notice and opportunity for a hearing. On the fourth instance of the violation, the owner will receive a \$500.00 fine letter and notice and opportunity for a hearing. If hearings are requested, the Board may set them all on the same date.

14. Unresolved Violations. After the expiration of sixty (60) days following notice of a violation which no hearing is requested or alternatively after an appeal meeting as set forth above, the Board or its agent may take the following additional actions for any violation determined to be unresolved:

- (a) Suspend the rights or privileges of the Owner relating to use of any common property within the Association and suspend the voting rights of the Owner;
- (b) Remit the matter to legal counsel to pursue all rights of action available at law or in equity including, but not limited to the remedy of injunctive relief and obtaining a monetary judgment for all costs, expenses, including reasonable attorney fees, and damages;
- (c) Increase the fines or penalties based on severity of the violation and circumstances to two times the previous fine amount;
- (d) After obtaining a court order, enter upon any Lot to cure the violation and charge all such costs back to the Owner.

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

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

17. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

18. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

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

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

HOMESTEAD OWNERS ASSOCIATION INC.

Animal Control Policy

(Adopted by Resolution 2006-3)

Homestead Owner Association would like to suggest a reasonable balance – or at least, on some balance – between the needs of a dog owner and the safety and comfort of other residents. This means that Association adopts the following policies.

- Dog owners are required to comply with the Eagle County Laws (Resolution 96 - 23 and any subsequent Laws) concerning Dogs.
- Owners are to keep their animals either in their homes or on leashes at all times and must meet Eagle County Law 96-23 Section 10 and 11 regarding confinement and restraint. Electronic containment systems may only be used when the animal is still within verbal control and owner is on site.
- Homestead bars animals (within reason) from Homestead Court Club grounds, other common areas, such as parks (not designated dog parks), Dogs are allowed on Homestead open space and trails if they meet Eagle County control regulations.
- Homestead requires owners to care for their animals and clean up after them.
- Homestead may require owners to obtain and show proof of liability insurance to cover property damage or injuries to others caused by their animal.
- Homestead will insist on the removal of an animal (by Eagle County Animal Control Officer) that threatens or disturbs other residents, for example, by barking incessantly, showing vicious tendencies or behavior, or roaming free within the Homestead neighborhood.
- Homestead Staff will fill out and submit a “Citizen Incident Report” to Eagle County, for any violation of the above policy. Violations of this policy are subject to “time based violation” rules set out in the Homestead Covenant enforcement policy.

HOMESTEAD OWNERS ASSOCIATION INC.

Alternative Dispute Resolution

(Adopted by Resolution 2006-4)

- 1, General. It is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and an Owner. Alternative Dispute Resolution (“ADR”) is defined as a procedure for settling a dispute by means other than litigation, such as binding arbitration, non-binding arbitration, or mediation.
2. General Policy. In the event of any dispute between the Association and an Owner, except for those Exempted Claims defined, the Association and the Owner shall agree to resolve the dispute using the procedures set forth below prior to filing suit in any court or initiating proceedings before any administrative tribunal.
3. Exempt Claims. The following claims shall be exempt from the provisions of this Policy:
 - (a) Any action by the Association against an Owner to collect assessments or other sums due to the Association, including foreclosure proceeding; and
 - (b) Any action by the Association to enforce any provisions of the Association’s Declaration, Bylaws, or rules and regulations; and
 - (c) Any claim of the Association which if not pursued by the filing of a lawsuit

would be deemed barred due to the applicable statute of limitations.

4. Procedure for All Other Claims. All Claims other than Exempt Claims shall be resolved using the following procedures in lieu of litigation:
 - (a) The Association or any Owner having a claim ("Claimant") against an Owner or the Association, respectively ("Respondent"), other than an Exempt Claim, shall notify each Respondent in writing of the Claim ("Notice"), stating (i) the nature of the Claim, including the date, time, location, persons involved, and Respondent's role in the Claim, (ii) the basis of the Claim (i.e. the provisions of this Declaration, the Bylaws, the Articles, Rules or Regulations or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.
 - (b) Negotiation. The parties shall make every reasonable effort to meet in person to resolve the Claim by good faith negotiation.
 - (c) Mediation.
 - (i) If the parties do not resolve the Claim through negotiation within 20 days of the date of the Notice (or within such other period as may be agreed upon by the parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation by an independent mediation service agreed upon by the parties.
 - (ii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of the Claim.
 - (iii) If the parties do not settle the Claim within 45 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the parties met, that the parties are at an impasse, and the date that mediation was terminated.
 - (iv) Within 10 days of the Termination of Mediation, the parties shall again attempt to resolve the matter informally through negotiation.
 - (d) Arbitration.
 - (i) If the parties do not resolve the Claim through negotiation, as provided for above, within 20 days of the Termination of Mediation, the Claimant shall then have 15 additional days to submit the Claim to arbitration in accordance with the appropriate rules of the American Arbitration Association, or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant

arising out of the Claim. However, nothing herein shall release or discharge Respondent from any liability to anyone not a party to the proceedings.

- (ii) This Policy is an agreement of the Association and Owners to arbitrate all Claims except Exempt Claims and is specifically enforceable under the applicable arbitration law of the State of Colorado. If specifically agreed to by both parties to the arbitration, the arbitration shall be final and binding and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.
5. Costs. If the Claims are resolved through negotiation or mediation as provided above, each party shall bear all of its own costs incurred in resolving the Claim, including its attorney fees and mediation expenses, unless the parties otherwise agree. If the Claims are not resolved through negotiation or mediation as provided above and the Claim goes to arbitration, the prevailing party shall receive as a part of its award from the opposing party all of its costs, including attorney fees, costs for other representatives in resolving such Claim, and any expenses incurred as a result of the dispute resolution procedures of this Policy.
6. Failure to Comply with Settlement. If the parties resolve any Claim through negotiation, mediation, or arbitration as set forth above, and the other party fails to abide by the terms of such agreement or award, then the other party may file suit or initiate administrative proceedings to enforce such agreement or award without need to comply with the provisions of this Policy. In such event, the party taking action to enforce the agreement or award shall be entitled to recover from the non-complying party all costs incurred in enforcing such agreement or Award, including without limitation, attorney fees and costs.
7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
8. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.
9. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
10. Amendment. This policy may be amended from time to time by the Board of Directors.

HOMESTEAD OWNERS ASSOCIATION INC.
Records Inspection and Retention
(Adopted by Resolution 2009-1, 2011-2, and 2012-1)

1. Records for Inspection. The following are the records of the Association which shall be deemed to be the sole records of the Association for purposes of inspection by Owners:

- (a) Records of receipts and expenditures affecting the operation and administration of the Association;
- (b) Records of claims for construction defects and amounts received pursuant to settlement of any such claims;
- (c) Minutes of all meetings of Owners;
- (d) Minutes of all meetings of Board members (except records of executive sessions of the Board);
- (e) Records of actions taken by the Owners without a meeting;
- (f) Records of actions taken by the Board without a meeting, including written communications and e-mails among Board members that are directly related to the action so taken;
- (g) Records of actions taken by any committee of the Board without a meeting;
- (h) A list of the names of the Owners in a form that permits preparation of a list of the names and mailing addresses of all Owners, as well as the number of votes of each Owner is entitled to vote;
- (i) The Association's governing documents which are comprised of:
 - (1) The declaration;
 - (2) The bylaws;
 - (3) The articles of incorporation;
 - (4) Any rules and regulations and/or design guidelines; and
 - (5) Any policies adopted by the Board, including the Association's responsible governance policies.
- (j) Financial statements for the last three years, which at a minimum shall include the balance sheet, the income/expense statement, and the amount held in reserves for the prior fiscal year;
- (k) Tax returns for the last seven years, to the extent available;
- (l) The operating budget for the current fiscal year;
- (m) A list, by unit type, of the Association's current assessments, including

both regular and special assessments;

- (n) The result of the Association's most recent available financial audit or review, if any;
- (o) A list of the Association's insurance policies, which shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed;
- (p) A list of the names, e-mail addresses and mailing addresses of the current Board members and officers;
- (q) The most recent annual report delivered to the Secretary of State;
- (r) A ledger of each Owner's assessment account;
- (s) The most recent reserve study, if any;
- (t) Current written contracts and contracts for work performed for the Association within the prior two years;
- (u) Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
- (v) Ballots, proxies and other records related to voting by Owners for one year after the election, vote or action to which they relate;
- (w) Resolutions adopted by the Board; and
- (x) All written communications sent to all Owners generally within the past three years; and
- (y) A record showing the date on which the Association's fiscal year begins.

2. Exclusions. The Association may withhold from inspection and copying certain records as provided by Colorado law, and which shall not be deemed to be records of the Association, which shall include, but are not limited to:

- (a) Architectural drawings, plans and designs, unless released upon the written consent of the owner of such drawings, plans or designs;
- (b) Contracts, leases, bids or records related to transactions currently under negotiation;

- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- (d) Records of executive sessions of the Board;
- (e) Individual unit files other than those of the requesting Owners.

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

- (a) Personnel, salary or medical records relating to Individuals;
- (b) Personal identification and account information of Owners, including bank account information, telephone numbers, e-mail addresses, driver's license numbers, and social security numbers.

3. Proxies: Retention. In accordance with the Protocol and Conduct of Meetings provision set forth above, the Association shall retain all proxies, both directed and non-directed to the proxy holder after such proxy is lodged with the Association. The Association shall not be obligated to affirmatively solicit or receive proxies. Any other documents that purports to assign voting rights shall not be retained unless specifically requested by an agent for an owner under a duly executed Power of Attorney that complies with Colorado law. Such power of attorney shall be returned to the Agent upon request.

4. 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, as listed above, subject to the exclusions set forth above, upon submission of a written request to the Association describing with reasonable particularity the records sought. The Association shall provide access to the requested records by:

- (a) Making the requested records available for inspection and copying by the Owner within 10 days of the Association's receipt of such written request, which inspection shall be during the regular business hours of 8:00 a.m. to 5:00 p.m. at the principal office of the Association; or
- (b) Making the requested records available for inspection and copying by the Owner during the next regularly scheduled Board meeting occurring within 30 days of the Owner's request; or

- (c) E-mailing the requested records to the Owner within 10 days of the Association's receipt of such written request, if so requested by the Owner.

5. Use of Records. Association records and the information contained within the records shall not be used for commercial purposes. Furthermore, while Owners are not required to state a purpose for any request to inspect the records of the Association, the membership list may not be used for any of the following without the consent of the Board:

- (a) To solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (b) For any commercial purpose; or
- (c) Sold to or purchased by any person.

6. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association to copy such records for the Owner. 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.

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

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

9. Creation of Records. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile or synthesize information.

10. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

11. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.

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

13. Amendment. This policy may be amended from time to time by the Board of Directors.

HOMESTEAD OWNERS ASSOCIATION INC.
Reserve Study (HB 1359)
(Adopted by Resolution 2009-2)

Adoption of a policy related to when the Association will have a reserve study prepared, whether there is a funding plan for the work recommended by the reserve study, and whether the reserve study will be based on a physical analysis and a financial analysis. To provide for the creation and review of a reserve study and for the funding of the work recommended by the reserve study.

1. Baseline Reserve Study. The Association conducted a baseline reserve study, which includes both a physical analysis and a financial analysis of the community as follows:
 - A. The physical analysis includes:
 - (1) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.
 - (2) A condition assessment of each component on the component inventory by on-site inspection.
 - (3) Estimates of the remaining useful life and replacement costs of each component.
 - B. The financial analysis includes:
 - (1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.
 - (2) A future funding plan to meet the requirements of the reserve study.
2. Update of the Reserve Study. Every 3 years following the establishment of the baseline reserve study as provided above, the Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. The update

may be done either with or without a site visit. In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:

- A. Any special or extraordinary issues facing the community (such as an increase in roof leaks or other maintenance issues).
 - B. Increased deterioration in any components beyond normal wear and tear.
 - C. Economic changes that affect the replacement cost of any component.
 - D. Whether routine maintenance of the components has been maintained.
3. Funding of the Reserve Fund. The reserve fund will be funded through regular assessments levied by the Association. The reserve fund shall be funded at a level such that the reserve fund shall at all times maintain a positive balance.

HOMESTEAD OWNERS ASSOCIATION INC.
Policy and Procedure Regarding the Collection of Unpaid Assessments
(Adopted by Resolution 2013-1)

It is in the best interest of the Association to address delinquent promptly and if necessary refer such accounts to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors has retained an attorney with experience in representing homeowner associations in collections and other matters. The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first day of each month. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 15 days of the due date shall incur late fees as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.
2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.
3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis an 18% late charge, and a \$5 late charge in addition to interest, for each Owner who fails to timely pay his/her monthly installment of the annual assessment within 15 days of the due date. This late charge shall be a "common expense" for each delinquent Owner.

4. Personal Obligation For Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a \$25.00 fee or other amount deemed appropriate by the Board of Directors shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within 30 days of the due date. If two or more of a unit Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the unit Owner's future payments, for a period of one year, be made by certified check or money order.

6. Service Fees. In the event the association incurs any type of service fee regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, including the \$100 delinquent owner fee, such fees will be the responsibility of the owner as such fee would not be incurred but for the delinquency of the Owner.

7. Payment Plan. Any Owner who becomes delinquent in payment of assessments after January 1, 2014 and has not previously been referred to the Association's attorney or collection agency for collection action, may enter into a payment plan with the Association, which plan shall be for a term of up to 6 months (or greater if approved by the Board of Directors). Such payment plan shall be offered to each owner prior to the Association referring any account to an attorney or collection agency for collection action. In the event the Owner defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the association, the Association may, without additional notice, refer the delinquent account

to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

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

9. Application Of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

10. Collection Process.

(a.) After an installment of an annual assessment or other charges due to the Association becomes more than 120 days delinquent, the Management Company shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest may accrue and request for immediate payment. The Association's notice, at a minimum shall include the following:

(i) The total amount due to the Association along with an accounting of how the total amount was determined.

(ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.

(iii) A name and contact information for an individual the owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.

(iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the owners right to vote if permitted in the Bylaws or Declaration.

(b) After an installment of an annual assessment or other charges due to the Association becomes more than 150 days delinquent, the Management Company shall

send a second written notice (“Second Notice”) of non-payment, amount past due, notice that interest has accrued, notice of intent to file a lien and request for immediate payment.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than 180 days delinquent, the Association shall turn the account over to the Association’s attorney for collection. Upon receiving the delinquent account, the Association’s attorneys may 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. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney’s fees together with the cost of the action and any applicable interest.

(d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting. The Association may also suspend use rights of the Homestead Court Club facility.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. 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.

12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date (date payment due)	1st day of the month due
Past Due Date (date payment is late if not received on or before that date)	15 day after due date
First Notice (notice that interest may accrue, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after 120 days after due date
Second Notice (notice that interest has accrued, notice of intent to file lien)	Any time after 150 days after due date
Delinquent account	Any time after 180 days

turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	after due date
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The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a fee as may be established by the Board. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

14. 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 unit within the Association, the Manger shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

15. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

16. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Manager is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- a. Filing of a suit against the delinquent Owner for a money judgment;
- b. Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
- c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests;
- d. File a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

17. 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

18. 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. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by a resolution in form and substance as is attached hereto.

19. 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.

20. Communication with Owners. All communication 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 Directors 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.

21. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone or in writing, when available. However, in doing so, the owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

22. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

23. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

24. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

25. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

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

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