

Rules and Regulations - Policies and Procedures of the Deer Run HOA

DEER RUN AT NOR'WOOD HOMEOWNERS ASSOCIATION

VERSION 8.1

OCTOBER 25, 2018

DEER RUN RULES AND REGULATION

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ARTICLE 1
Assessment Collections

Section 1.1 Due Date Interest and Late Charges

- (a) The Association's annual common expense assessment shall be due and payable as provided in the Associations Governing Documents. Unless otherwise designated, monthly assessments shall be due on the first day of each month, provided however, the Board may accelerate monthly assessments under certain circumstances, and further, special assessments, site assessments, fines, fees, and other charges shall be due on the date specified in any notice thereof.
- (b) Any payment which is not received by the 10th day after such payment is due, shall be considered past due and delinquent, and will be charged a late fee/ administration fee equal to 10% of the amount due to compensate the Association for processing of a delinquent payment, which shall be owed by the owner for each month such assessment is not paid.
- (c) In addition to the late fee, the Association shall be entitled to receive any and all costs of collection, attorneys' fees and interest allowed by the Association's Governing Documents or any statute or law. (The interest rate for delinquent sums is currently 18% per annum.)

Section 1.2 Checks.

- (a) The Association will impose an administrative fee, or other amounts deemed appropriate by the Board for all returned checks.
- (b) If notice of a returned check, draft or money order is sent as provided in C.R.S. 13 – 21 – 109 and the total amount due as set forth and the notice is not paid within 15 days after such notice is given, the owner who provided the returned check shall be liable to the Association for collection for three times the face amount of the check but not less than \$100, and any expenses of collecting such sums.
- (c) 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 year, be made by certified check or money order.
- (d) The Association shall not be obligated to process any payment more than once but in its discretion, it may attempt to process up to three times. Any costs associated with such processing, including charges by the payee's bank, shall be the sole responsibility of the payer.
- (e) Checks containing a restrictive endorsement on the back may, at the option of the Association, either (1) be returned to the owner and the amount tendered

shall be considered unpaid, or (2) be deposited without waiving any of the rights and remedies of the Association to unpaid sums, whether or not the restrictive endorsement is crossed out.

Section 1.3 Payment Plan.

- (a) General Considerations. The Association is not a lender, and failure to pay assessments imposes financial burdens on the other owners. A payment plan may only be considered for an extreme hardship or extraordinary circumstances unless otherwise required by law or statute.
- (b) Other Payment Plans. In its sole discretion, the Board may consider any other request for a payment plan, but such requests must be in writing, describing the necessity for such plan and its terms.
- (c) Statutory Payment Plan. Owners may be entitled to a one-time payment plan under Colorado statutes. Such statutory payment plan shall be subject to the following:
- (1) Any request for a payment plan must be made by an owner in writing and delivered to the Association's registered agent at the registered address or a contact person described below the contact address. Request for a payment plan must be submitted not later than when the balance owed is equal to five months of assessments as calculated using a currently approved budget. Any payment plan will be a legally binding contract, and the plan will require the owner to pay all delinquent sums, including late fees, interest, attorney fees, charges, and other costs. The payment plan will require that the owner keep all monthly payments current and must pay off the entire delinquent amount in payments over six months (minimum). No statutory payment plan is available if the owner does not occupy the unit and has acquired the unit as a result of (1) a default of a security interest encumbering the unit, or (2) foreclosure of the Association's lien.
- (d) Remedies. Nothing in this policy prohibits the Association or a holder or assignee of the Association's debt from pursuing legal action against an owner if the owner fails to comply with the terms of his or her payment plan. An owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the repayment period, constitutes a failure to comply with the terms of his or her payment plan.
- (e) Discretion. The Association is not obligated to negotiate a payment plan with an owner who has previously entered into a payment plan. In such cases, the Board shall have complete discretion as to payment plans, except as otherwise required by Colorado statutes.

Section 1.4 Notices of Delinquent Assessments.

- (a) The Association may send various notices of legal assessment to owners who fail to pay and may charge for any notices sent to the owners in connection with such delinquent assessments, but the owners are responsible for ensuring that their payments are timely and fully made, regardless of whether notice is sent.
- (b) Before the Association turns over a delinquent account to a collection agency, or refers it to an attorney for legal action, the Association shall, to the extent required by statute or law, send the owners a “Notice of Account Delinquency” (Attachment-1) specifying:
 - (1) The total amount due, with an accounting of how the total was determined, which may be shown by enclosing a copy of the owners’ ledger
 - (2) The name (“contact person”) and contact information for the (“contact address”), whom the owners may contact to request a copy of that owners’ ledger
 - (3) An opportunity to enter into payment plan may exist in which case the owners (if eligible) must contact the Association’s registered agent, in writing, at the registered agent’s address, to request a payment plan, and
 - (4) That action is required to cure the delinquency, and that failure to do so within 30 days may result in the owners’ delinquent account being turned over to a collection agency, a lawsuit being filed against the owners, the filing foreclosure of a lien against the owners’ property, or other remedies available under Colorado law.
 - (5) Only one” Notice of Delinquency” shall be required during any Collection process.

Section 1.5 Payment Priority. Regardless of inscriptions or notations on the front or back of a check, all payments shall be applied to outstanding balances in the following order of priority:

- (1) Late charges
- (2) Interest
- (3) Attorney fees and costs
- (4) Returned check charges
- (5) Past-due special assessments, past-due fines, or other charges, if any
- (6) Currently due special assessments, or currently due fines, or other charges, if any, and
- (7) Unpaid assessments beginning with the oldest unpaid assessment.

This method of application of payments may result in the account continuing to be delinquent for current dues if the amount tendered is less than the total resulting in the application of late fees and interest.

Section 1.6 Remedies for Collection of Delinquent Accounts.

- (a) The Association may exercise any and all rights and remedies available under the Association's Governing Documents, or under Colorado law, including without limitation, the owner's delinquent account being turned over to a collections agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's property, or other remedies available under Colorado law.
- (b) In the event that at least three (3) installments are past due, the entire annual assessment may be accelerated, in the Board's sole discretion, upon at least 30 days written notice to the owner, so that all monthly installments for the remainder of the assessment year are immediately due and payable.
- (c) The Association may also deny rights to use Association facilities, voting rights, or other rights in the Association (including inspection of records) until all assessments and other sums are paid in full. In order to be an "owner in good standing" for purposes of this policy and to obtain a release of liens, restoration of voting rights or other rights, or to terminate litigation, the delinquent owner must make payment in full of all assessments and other sums, including sums which arise after the collection process or after the owner delivers a payment to the Association. The Association shall not be liable for any errors or omissions in any billing address or payment statement to the owner.
- (d) The Association may (but shall not be required to) proceed by filing litigation against any owner who has not paid his assessment and,
- (e) Any delinquent owner assigns any rental from his/her unit to pay any delinquent sums owed to the Association, and the tenant in any rental unit in the Association shall, upon written notice from the Association, pay the rents to the Association to pay such delinquent sums including any delinquent annual or special assessment owed by the owner of the rental unit, and all payments made by the tenant to the Association shall reduce the tenant's obligation to make monthly rental payments to the owner under the lease by the same amount. Despite such payments, the Association shall not be obligated to perform or incur any obligation under the lease. If the tenant fails to comply with the Association's written notice and fails to make the payments required, the owner and tenant shall be subject to all rights and remedies described by the Association's Governing Documents, and/or the CCIOA, including that the Association may seek to evict the tenant and/ or the

Association shall have an absolute right to obtain a court approved receiver to manage the unit and apply the rents to pay the delinquent sums.

- (f) The Association may also assign its assessment lien against the delinquent property to a third-party assignee, without recourse or warranty of any kind. The assignee shall assume all responsibility for the enforcement of the assigned lien, and the Association shall not be liable for any actions of said assignee. Assignments shall apply only to assessments that are owed to the Association prior to the assignment, and shall not assign, release or supersede any claims or lien which the Association may have for assessments accruing after said date. If an assignee does not pay any assessments levied after the assignment, the assigned assessment lien shall be subordinate to any future assessment by the Association, and the assignee may not take any actions that would hinder the Association's ability to collect those unpaid future assessments.
- (g) The above remedies shall be subject to any requirements, prohibitions or restrictions set forth in the Association's Governing Documents and/or Colorado Statutes.

Section 1.7 Association's Collection Action Through its Attorneys

- (a) After a delinquent account has been referred to the Association's attorney, all communication with the delinquent owner should be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board of Directors have any authority to discuss 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. However, the Association has the option and right to continue to evaluate each delinquency on a case-by-case basis.
- (b) Once accounts are turned over to the Association's attorney, owners shall make payment to the Association at the address of the Association's attorney, and the Association shall be entitled to collect interest at the rate set forth in this policy from the due date of such payments, as well as reasonable attorneys' fees, court costs, and all other expenses of collection on said delinquent payment. The reasonable attorneys' fees incurred by the Association shall be due and payable from the delinquent owner on the date(s) when the Association incurs such expenses.

Section 1.8 Foreclosure of Liens.

- (a) Liens under CRS 38 – 33.3 – 316. The Association may have rights and remedies to collect assessments under the CCIOA, including statutory liens described in CCIOA. Any sums expended by the Association for repairs or other actions needed to preserve or protect any abandoned unit with the Association during a foreclosure against said unit shall be additional indebtedness secured by the priority statutory lien claim described in CRS 38–33. 316(2)(b)(i) and 38 – 33. 3– 316 (c). However, the Association, or holder, or assignee, of the Association’s statutory lien under CRS 38 – 33. 3 – 316, whether the holder or assignee of the Association’s statutory lien is an entity or a natural person, may only foreclose on the lien if:
- (1) The balance of the assessments and charges secured by its lien, as defined in subsection (2) of CRS 38 – 33. 3 – 316, equals or exceeds six months of common assessments based on a periodic budget adopted by the Association; and
 - (2) The Board has formally resolved by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. The Board may not delegate its duty to act under this subparagraph to any attorney, ensure, manager, or other person and any legal action filed without evidence of the recorded vote authorizing the action will be dismissed. (Attachment-2 & Attachment-3)
 - (3) The lien and other rights of the Association under the Association’s Governing Documents shall not be affected or impaired by the restrictions set forth above.
 - (4) In addition to the lien under CRS 38 – 33.3 – 316, the Association or its assign, may exercise its rights and remedies under the Association’s Governing Documents in accordance with Colorado law, including the filing and foreclosure of liens.

Section 1.9 Bankruptcy of Owner.

- (a) The filing of a bankruptcy action does not terminate the Association’s right to collect assessments because
- (1) The Association has an assessment lien claim against the unit for all past assessments; and
 - (2) The owner will remain personally liable for all post-bankruptcy filing assessments so long as they retain title to the unit.

- (b) Based on the above, when the Association learns that a bankruptcy action has been filed, the accounting for that unit may be thereafter based upon the filing date of that bankruptcy action (the” Petition Date”), and the Association may create two separate ledgers for the unit showing assessments owed prior to the petition date and after the petition date.

Section 1.10 Proof of Payments

- (a) Since the records of the Association are kept in the ordinary course of business and the Association relies upon same for the behalf of all owners, there is a presumption that those records are correct and that the assessment is valid if there is no written dispute received by the Association within thirty (30) days after the mailing of a billing statement.
- (b) An owner who wishes to dispute the amount or the validity of any assessment charged to his/her unit must submit a statement within thirty (30) days after the mailing of a billing statement that describes all disputed monthly payments and can request information from (or request a hearing before) the Board but must put that request in writing in accordance with this policy.
- (c) The Board may require that the owner deliver documentation, such as canceled checks or bank statements, to support the owner’s claims.

All payments made to settle a dispute and all correspondence regarding payment disputes must be sent by certified mail to the Association’s registered agent at the registered address. If payment or correspondence is delivered by any other method, the owner using that non-authorized method assumes the risk that the payment or any communication were not received by the Association.

Section 1.11 General.

- (a) Nothing in this policy requires the Board to take specific actions at a specific time. The Board has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Board may modify the procedures contained herein as the Board shall determine appropriate under the particular circumstances.
- (b) Failure of the Association to strictly comply with any provision of this policy shall not be deemed a waiver of the Association to require strict compliance by the owner and shall not be deemed a defense to payment of assessments, fees or other charges, late charges, return check charges, attorneys’ fees, and/or costs as described and imposed by this policy nor be asserted as a claim against the Association.

- (c) This policy shall be effective as provided in the Association’s Governing Documents, at which time it shall replace and supersede any prior Rules and Regulations or policy regarding assessments, collections, liens, and legal remedies, provided however, that the Board may at its discretion suspend the effective date of any provision of this policy for any collection actions filed or taken prior to the date shown on the cover of this document. The Board may amend this policy in the future.
- (d) If any portion or provision of this policy is found to be invalid, the remaining provisions shall continue in full force and effect. The term “Including” shall mean “including without limitation”.

ARTICLE 2
Violations and Fines

This rule shall apply to any alleged violation of the Association's Governing Documents except and excluding non-payment of assessments or other sums.

Section 2.1 Complaints. Any person may present initial complaints of any violation of any provision of any Association document to the Board in writing or orally before or at any meeting. The Board shall, in its discretion, determine whether or not the complaint shows cause for further proceedings. The Board shall not decide the validity of the complaint at that meeting, but rather shall notify the owner and shall set it for hearing at a later date, if it finds cause that the owner or alleged violator has committed or permitted a violation.

Section 2.2 Warning Notices

- (a) The Board may informally talk with the homeowner(s) or send Courtesy Notices before issuing a warning regarding violations and/or possible fines. Courtesy Notices are not required if the Board deems the violation requires immediate action. Courtesy and Warning notices may be sent via email, regular mail, or a combination of both.
- | | |
|---------------------|--|
| (1) Courtesy Notice | Immediately upon confirmation of a violation |
| (2) First Notice | Immediately upon confirmation of a violation or 15 days after a Courtesy Notice, if homeowner has not taken corrective action. |
| (3) Second Notice | 15 days after First Notice |
| (4) Third Notice | 30 days after First Notice |
- (b) Notice of hearing. If corrective action has not been taken 10 days after the Third Notice and the Board decides that cause has been shown for levying a fine, the Board will convene a hearing. The Board, or its officers or agents, shall then send a written notice via email, regular mail and certified mail, with return receipt requested (Attachment4), to the owner, and a copy may be sent to the alleged violator (if known) such as a tenant, contractor, guest, or family member of the owner. The notice shall indicate the time and place of the hearing, and any other information regarding violation which the Board deems appropriate in its discretion. The notice shall be deemed received by the owner three (3) days after mailing. The notice may be sent to the unit if the owner has failed to register a current mailing address. The notice may also be sent to the complaining party.

Section 2.3 Hearing.

- (a) Hearings may be held in executive session because they may involve privacy and/or possible litigation issues. The Board may exclude any person other than the owner or alleged violator and witnesses, when testifying.

- (b) The Board shall constitute “impartial decision-makers” which means 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 its architectural requirements, and the 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. Any challenge that any Board member is not impartial must be raised in writing at least five (5) days before the hearing and the basis of such challenge must be stated. Failure to raise such challenge constitutes a waiver. The Board decides such challenges.
- (c) At the hearing, the Board may consider any written or oral information produced by the owner, the alleged violator or other interested party. Any legal or statutory rule of evidence or procedure shall not apply to the hearing, and the Board may restrict testimony or proceed in any manner or order, which it deems appropriate in its discretion. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of such evidence over objection in civil actions. Hearsay evidence shall be sufficient in itself to support a finding. The Board may tape record or otherwise transcribe the hearing. The Board may proceed with the hearing even if the owner fails to appear or refuses to participate or to submit information. Legal counsel may represent the owner so long as said owner gives the Board at least five (5) days prior written notice, in which case the Board’s attorney may be present as well. Any participant may question any witness and examine any documents presented at the hearing.
- (d) After hearing any information, witnesses, or documents presented at the hearing, the Board’s decision shall be made by majority vote of the Board members present and a brief summary of the decision and the sanction, if any, should be sent via regular mail to the owner and, if necessary, to the alleged violator. If, as a result of the fact-finding process described above, it is determined that the unit owner should not be held responsible for the alleged violation, the Association shall not allocate to the unit owner’s account with the Association, any of the Association’s costs or attorney fees incurred in asserting or hearing the claim.
- (e) Failure to request a hearing or to appear at a hearing or failing to contest the complaint in writing shall constitute an admission of the violation and shall allow the Board to proceed with fines and other enforcement.

Section 2.4 Extent of Violations. Each incident or each day of a continuing violation shall be considered a separate violation for which a maximum fine may be imposed. For example, each day during which a pet or activity or an item violates the Governing Documents is a separate violation. The Board may, at its discretion, impose increased fines for repeated or intentional violations.

Section 2.5 Parties to Violation. The owner shall be responsible for violations committed by their contractors, guests, family members, and tenants; for example, pets kept by tenants or signs placed by real estate agents. The Board may proceed against both the owner and the alleged violator, simultaneously or separately, and actions against one shall not bar action against the other. The Board may contact the police, any regulatory or licensing authorities or other third parties regarding the alleged violation, but any action or decision by those parties shall not bar the Board from proceeding.

Section 2.6 Fines and Sanctions.

- (a) Any validated violation of the Governing Documents will subject the owner to a reasonable fine assessment imposed by the Association. Attached hereto is a “schedule of fines” adopted by the Board (Attachment5).
- (b) The schedule of fines may be amended by the Board at any time. There are instances where the dollar amount of fines may vary depending on the circumstances. The fines are intended to encourage compliance with governing documents; the potential risk of loss to the Association if compliance does not take place; the cost of investigative demand letters and hearings to ensure compliance; and the cost of remedial measures (if used).
- (c) Any fine shall be both a personal obligation of the owner or the violator or both, and shall also be a site assessment creating a lien, which may be recorded against the unit and may be foreclosed, as provided in the Declaration. The Board may notify any lender and credit agency of such obligation and lien. Additionally, the Board may bring legal action to enforce the violated provisions and so recover the fine.
- (d) Any validated violation shall entitle the Board to recover from the owner or violator or both, its reasonable attorney fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted to the extent allowed by the Association Documents and Colorado Statutes.
- (e) The Board may seek to recover such fees and costs by all legal remedies, including without limitation, charging such fees and costs to the owner’s account with the Association.

Section 2.7 Substantial Compliance. Technical irregularities or defects in the complaint, notice or other compliance with this policy shall not invalidate the proceedings or any fine or sanction imposed. This policy shall be liberally construed to accomplish prompt, effective enforcement of the Association’s Governing Documents.

Section 2.8 Board Resolves Questions of Construction. If any doubts or questions shall arise concerning the true intent or meaning of any provision of the Association’s Governing Documents, including these policies, the Board shall determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect, and application of the provision. These determinations will thereafter be binding on all parties so long as it is not arbitrary or capricious, and they may be filed for record with the County Clerk/Recorder.

ARTICLE 3
Records Policy

Section 3.1 Association Records Policy.

- (a) The Association shall retain and produce to owners the records required by C.R.S. 38 – 33. 3 – 317 as well as any other records specifically set forth in the Association’s Declaration or Bylaws. The Association’s Board of Directors may adopt, at its discretion, a list of Association records setting forth the records that may be available for inspection. (See Attachment 6)
- (b) Note that many of these documents are available on the HOA website. (www.deerrunneighbors.com)
- (c) Owners of the Association may inspect those records as provided by the Statutory Records Law so long as the owner is in good standing. For the purpose of this rule, “good standing” of an owner requires that the owner has paid all assessments, and other sums due to the Association, and is not in violation in any of the Association’s documents.

The Association’s records shall not include personal emails of officers and directors unless such persons authorize their use for Association purposes.

Section 3.2 Examination of Records Procedure.

- (a) The Association requires that the owner submit a written request (in the form of Attachment 7), “Document Request Form” describing with reasonable particularity the records sought; such form must be received at least ten (10) days prior to inspection or production of the documents. The Association may limit examination and copying times to the normal business hours of its manager, if applicable, or the next regularly scheduled Board meeting if the meeting occurs within thirty (30) days after the submission of the written request. Owners who desire to examine Association records must make a mutually acceptable appointment with the records custodian and designate the estimated amount of time requested for records examination.
- (b) If possible, the Association shall make an appointment with the owner at a place and time convenient to both parties, to conduct the inspection. However, if the request requires the participation of a Board member, or property manager, the time, place and length of inspections will be based upon the schedule of Board member or property manager, if applicable. All appointments for inspection will be limited to one hour unless otherwise agreed by the Board member or manager if applicable. If additional time is needed, additional appointments will be made.

- (c) At the discretion of the Board or the management company, if applicable, records will be inspected only in the presence of a Board member, management company employee or other person designated by the Board.
- (d) The owner shall not remove any document from the Association's records nor shall the owner remove records from the Association's place of business. Certain records may be copied, at the owner's expense. During an inspection, the owner may designate such records for copying by use of tab, clip or post-it note upon the pages desired, but may not otherwise alter the records (for example, no folding, pencil or pen marks, etc.). The Association's records custodian, on behalf of the Association, will make the copies.
- (e) The Association shall impose a reasonable charge, which shall be collected in advance and may cover the cost of staff labor, including labor to use, retrieve, observe, copy and deliver records and the cost of material for copies of Association records. Maintaining Association information is an important function of the Association. Therefore, in order to ensure that records are not tampered with, removed, or destroyed, an agent of the Association or a staff member of the management company may remain present to observe owners while they examine Association records and the Association may charge for any labor of such agent or staff member.
- (f) A copy of the records should be available within ten (10) working days of receipt of the request, unless the condition or voluminous nature of the records makes this timeframe impractical. In such cases, the copies should be made available as soon as practical.
- (g) Depending on the number of pages requested, the records custodian may request that the owner return at a later date to pick up the requested copies, in order to allow personnel to set aside time to reproduce the documentation requested.
- (h) A right to copy records under this policy includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by the owner. Any applicable charges shall be collected in advance.
- (i) All persons inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the operation of the Association's location where the inspection of copying is taking place.
- (j) The Association is not obligated to compile or synthesize any information.

- (k) If an Owner threatens litigation or makes a records request through an attorney, the Association shall be entitled to consult and have present the Association’s attorney, and the Owner shall pay the Association’s attorney’s fee at the attorney’s usual rate for any such consultation or attendance.
- (l) In the event that litigation is pending, production of records shall be governed by the judicial discovery rules.

Section 3.3 Exclusions. Records maintained by the Association may be withheld from inspection and copying to the extent that they concern any of the following:

- (a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
- (b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiations;
- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- (d) Disclosure information and violations of law;
- (e) Records of an executive session of the Board; or
- (f) Individual units other than those of the requesting owner.

Section 3.4 Other Confidential Records. Some records maintained by the Association are not subject to inspection and copying and must be withheld to the extent that they concern the following:

- (a) Personnel, salary or medical records relating to specific individuals; or
- (b) Personal identification and account information of owners, including bank account information, telephone numbers, electronic mail address, driver’s license numbers and Social Security numbers.

Section 3.5 Prohibition of Illegal or Commercial Use. Any records of the Association, including without limitation, any membership list, or other part thereof may not be obtained or used by any person for any purpose unrelated to an owner’s interest as a unit owner and shall not be used for any purpose which violates any law or this Policy, including without limitation, any use which constitutes harassment, invasion of privacy, or bullying of any person. Without limiting the generality of the above, without the consent of the Board, any record of the Association, including without limitation, any membership list, or any party thereof may not be:

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

Section 3.6 Seller Disclosures to Buyer.

- (a) Upon written request complying with this Policy, an owner who is selling his or her unit shall either provide to the buyer or authorize the Association to provide to the buyer, upon payment in advance of the Association's usual fee pursuant to C.R.S. 38-33.3-317(4), the Unit Account Statement, all of the Association's Governing Documents and financial documents, required by the most recent available version of the Contract to Buy and Sell Real Estate promulgated by the Colorado Real Estate Commission as of the date of the contract.
- (b) To request written copies of the above records, the owner or the owner's agent must follow the rules and procedures listed under Section 3.2 above and must pay in advance the copying charges described in Section 3.2(e) above. If records are available on a website, the owner or owner's agent should use that website to obtain the records.
- (c) Furthermore, the owner has the responsibility to obtain from the buyer a signed acknowledgement of receipt of the required information and disclosure statement. (Attachment 10) The owner is then responsible for delivering the signed acknowledgement to the Association as soon as possible after it is acquired. The Association uses reasonable efforts to provide copies but shall have no liability for the information provided, or for compliance with any deadlines or other contractual requirements.

Section 3.7 Enforcement of Rule.

- (a) Any violation of this Rule shall cause the immediate suspension of the inspection or copying until the violator agrees in writing to comply with this Rule, as well as other remedies such as fines. *The Association's Board or its representatives may take any available legal action to enforce this Rule.*
- (b) The Association will not honor any requests for inspection or copying that do not comply with this Rule, but the Association may send a written notice to the person who made the request indicating the nature of any noncompliance. Any Association representative who receives an oral request for inspection or copying shall refer the person making the request to this Rule, and the Association or its representatives will have no further obligation to respond until it receives a written request on the Document Request Form. (Attachment 7)
- (c) The Association's Board shall be entitled to resolve any dispute regarding the Association's records based upon the Board's reasonable business judgment.

- (d) It is the obligation of every owner to hold all information in appropriate confidentiality so that information is not released to other parties or misused by others. The Association shall not be liable for the disclosure or copying of any records, which are required to be provided by statute or judicial proceeding. The Association does not warrant or represent the accuracy, completeness, or any other matter in the records provided. The requesting owner shall release and indemnify the Association from any and all claims and liability related to the requested records and any disclosure and/or use of such records.
- (e) The Board may, in its discretion, adopt a records retention and/or deletion procedure for any and all records, except as otherwise restricted by law. See Attachment 6 for a list of association records for possible examination and copying.

ARTICLE 4
Dispute Resolution Policy

Section 4.1 Background. Article 6 of the Deer Run at Nor’wood Covenants provides a high-level approach to Dispute Resolution. The purpose of this Article is to provide further details and policy for Dispute Resolution in our community.

Section 4.2 Purpose. The Association believes that the cost, complexity, and delay inherent in court proceedings make litigation a particularly inefficient means of resolving neighborhood disagreements. Further, relationships in our community may be damaged through use of adversarial means of resolving disputes. Accordingly, the Association encourages the use of alternative methods for resolving disputes.

Section 4.3 Goal and General Policy. Such informal actions may include emails, telephone conversations, face-to-face conversations with a Board member or meeting with the entire Board. If the Owner(s) request to meet with the Board, the Board shall make a reasonable effort to comply with the Owner’s request.

If informal actions do not achieve resolution of the dispute, the Association and/or the owner(s) involved in the dispute shall work to resolve the dispute using the procedures set forth below prior to filing a complaint in court or otherwise initiating a legal proceeding. For each of the resolution processes, Colorado law governs the process and the parties do not waive their right to employ legal counsel at their own expense to assist them.

Section 4.4 Procedures for Resolving Disputes.

- (a) The Association or any Owner(s) wishing to resolve a dispute (“Initiating Party”) will provide each other Party to the dispute with a written request (“Request for Resolution”) describing:
 - i. the nature of the dispute, including the date, time, location, persons involved, and the other party’s or parties’ role in the dispute; and
 - ii. a request for what the Initiating Party would like the other party or parties to do or not do to resolve the dispute; and
 - iii. times and dates that the Initiating Party may be available to communicate directly with the other party or parties to discuss in good faith ways to resolve the dispute.
- (b) Negotiation. The parties are encouraged to make reasonable efforts to communicate directly with each other in an attempt to reach an agreement that serves the interests of all parties prior to initiating any further dispute resolution procedures.

i. If the dispute is between two or more owners, and the dispute cannot be resolved by negotiation, the owners shall attempt to resolve the issue through mediation and arbitration, using the following procedures before initiating legal proceedings. A copy of any decisions reached by the parties through mediation or arbitration will be provided to the Association.

(c) Mediation: For disputes involving the Association and Owner(s)

i. Beginning the process. If the parties do not resolve the dispute through Negotiation, then at the Board’s discretion, the Association may, but shall not be required to submit any dispute to mediation. The mediator will facilitate the process but will not make decisions for the parties.

ii. Selecting a mediator. The mediation shall be pursuant to the rules of the American Arbitration Association, before Judicial Arbitrator Group (“JAG”) in Colorado Springs, Colorado. The mediation hearing shall be held in Colorado Springs, Colorado, must be commenced within one year of the date when the claim accrued by a written request for mediation filed with JAG, and shall be confidential, except to the extent necessary to enforce an award. The cost of mediation will be shared equally among the parties unless they agree otherwise.

iii. Documentation of mediation. The mediator shall provide the parties with documentation noting who attended and that the mediation occurred. If the parties agree on a resolution to the dispute, the resolution will be signed by the parties involved and will be considered as final and binding on them to the fullest extent permitted under the laws of Colorado. Judgment may be enforced in any court having jurisdiction.

(d) Arbitration.

i. Beginning the process. If the parties do not resolve the dispute through mediation, then at the Board’s discretion, the Association may, but shall not be required to submit any dispute to binding arbitration. The parties agree to accept the decision of the arbitrator as final and binding on them to the fullest extent permitted under the laws of Colorado. Judgment may be enforced in any court having jurisdiction.

ii. Selecting an arbitrator. The arbitration shall be pursuant to the rules of the American Arbitration Association, before Judicial Arbitrator Group (“JAG”) in Colorado Springs, Colorado. The arbitration hearing shall be held in Colorado Springs, Colorado, must be commenced within one year of the date when the claim accrued by a written demand of arbitration filed with JAG, and shall be confidential, except to the extent necessary to enforce an award. The cost of arbitration will be shared equally among the parties unless they agree otherwise.

iii. Arbitration Award. The Arbitrator shall provide the parties with an award including findings of fact and conclusions.

Section 4.5 Failure to comply with Agreement or Award.

If the parties resolve any dispute through mediation or arbitration, and a party or parties fail(s) to abide by the terms of the agreement or award, the other party may initiate legal proceedings to enforce the agreement or award without need to comply with the provisions of this Policy. Additionally, the party taking action to enforce the agreement or award shall, if that party prevails, be entitled to recover from the non-complying party all costs incurred in enforcing the agreement or award, including without limitation, attorney fees and costs.

Section 4.6 Amendment.

This policy may be amended at any time by the Board of Directors.

ARTICLE 5

Adoption and Amendment of Rules

Section 5.1 Authority. To the extent permitted by the Governing Documents and applicable statutes, the Board of Directors shall have the authority to adopt, revoke or amend any portion of the Rules and Regulations and/or Policies and Procedures, to the extent they do not conflict with the Association's Governing Documents in order to interpret, supplement and/or enforce the Association's Governing Documents. The Board should adopt Rules and Regulations and Policies and Procedures at Board meetings that are open to attendance by owners.

Section 5.2 Board Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intent or meaning of any of the Governing Documents, the Board shall determine the proper construction of the provision in question and shall set forth in a written statement the meaning, effect and application of the provision. Those determinations will thereafter be binding on all parties so long as such determinations are not grossly negligent or wanton and willfully illegal and notice of any determinations may be filed for record with the County Clerk/ Recorder.

Section 5.3 Notice to Membership. In any case where the Board is adopting a new or amended rule or policy of major significance to the Association, the Board should give notice to the members to the extent and manner, if any, required by the Governing Documents. The Board may announce a new rule in the Association's newsletter or by U.S. Postal mail, email or hand delivery to the units. Any owner who desires any amendment or the adoption of a rule or policy should submit the request in writing to the Board, and the Board may proceed as it determines to be in the best interest of the Association.

ARTICLE 6
Conflicts of Interest

- (a) The Board of Directors shall comply with all of Colorado's statutory provisions against conflicting interest transactions as found in the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act. A "conflicting interest transaction" is defined by the Colorado statutes, but generally means a contract, transaction, or other financial relationship between the Association and a director of the Association, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest. A conflicting interest transaction does not include transactions that are of a general benefit to a group of homeowners that includes one or more directors. In the event of any uncertainty or dispute, the Board shall decide, in its reasonable business judgment, but without the vote of the involved director, whether a conflict of interest exists in particular circumstances; the Board's decision shall be final and binding on all persons.
- (b) Each Board member is obligated by law to disclose, in an open Board meeting, any existing conflict of interest prior to any discussion or action on that issue, and the Board member shall not vote on such issue but may participate in the discussion on the issue.
- (c) The above notwithstanding, at any Board meeting, a Board member with a conflict of interest may be counted "present" for the purpose of determining whether a quorum exists.
- (d) Any Board member who violates this rule, or any other Association Document, may be removed from the Board by the other members of the Board.
- (e) The Association may require that all Board members sign a copy of this rule to acknowledge that they have read and understand it and will comply fully with it.
- (f) The Association's Policies and Procedures and Rules and Regulations regarding conflict of interest shall be reviewed on a periodic basis, no less frequently than every five (5) years.
- (g) No conflicting transaction, rule, or decision of the Board shall be void or voidable if it meets the requirements of the Colorado Revised Nonprofit Corporation Act. (C.R.S. 7-128-501 et seq.)

ARTICLE 7
ANNUAL REPORT AND DISCLOSRE

According to Senate Bill 100 and various other Statutes, there are mandatory disclosures that have to be made to all unit owners within ninety (90) days of the end of the fiscal year:

Name of Association
Name of Management Company
Address of Association
Telephone Number

Covenant Recording Information: Title (i.e. Filing number], Filing Number, Date Reception, Book, Page.

Financial statements as described in Section 7-136-106, C.R.S, for the current and past three fiscal years and tax returns of the Association for the past seven years, to the extent available.

A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;

Association's most recent annual report delivered to the Secretary of State, if any.

If an owner is not able to access the relevant information on the HOA website, the owner may submit a "Document Request Form" (Attachment 6) to the Association. The cost to prepare a hard copy of these documents, plus staff time, will be assessed.

ARTICLE 8
MEETINGS

Section 8.1 Conducting Meetings

- (a) Association meetings shall be conducted in accordance with the Association Documents, especially the Association Bylaws, and in accordance with the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act. In addition, all meetings shall be conducted in accordance with the “Rules of Order for Association Boards”, Edition 1.1. (Attachment 8).
- (b) At all meetings, members are expected to maintain proper behavior and decorum, which requires that members shall:
 - (1) Be respectful to others present and to the meeting process
 - (2) Refrain from name-calling, use of foul language, and other aggressive behavior
 - (3) Differentiate statements of opinion from statements of fact, and
 - (4) Speak only when acknowledged by the Chair.
- (a) If a member fails to observe the above standard, demonstrating inappropriate behavior, which negatively impacts the Association's meeting(s), the Chair shall issue one warning to the member. If inappropriate behavior continues, the member may be asked to remove him or herself from the meeting. If the member refuses to comply, the meeting may be adjourned at that time, even though there are agenda items not yet heard, or the Chair may take other action, at the sole discretion of the Chair, including request for police assistance.

Section 8.2 Owner Participation at Board Meetings

- (a) All meetings of the Board of Directors, except Executive Sessions, are open to attendance by any owner or any person designated in writing by that owner as the owner's representative.
- (b) The Board shall designate an appropriate period of time at the beginning of the meeting for owners or their representatives to speak on any matter shown on the agenda, but such period shall not exceed a total of twenty (20) minutes. Owners who wish to discuss a certain issue, complaint, or request shall submit such in writing at least five (5) days prior to the Board meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue. All or any owners or designated representatives wishing to speak shall sign a sheet with the Secretary prior to the meeting and the Board's President shall allocate the time permitted among the various owners or designated representatives who wish to speak. After the designated time, owners who are not Board members shall not

participate in any deliberation or discussion of the Board unless expressly authorized by a vote of a majority of a quorum of the Board so present.

Section 8.3 Owner Participation at Annual and Special Meetings of Owners

- (a) Any owner or designated representative of owner may speak at the designated time in the agenda upon any issue requiring a vote of the owners.
- (b) The total length of any time for owners or designated representatives speaking on a single issue at any meeting of the owners shall not exceed the time set forth by the President at the beginning, but not exceeding a time limit of twenty (20) minutes total, and the president shall pro-rate that time among the various owners who speak on the issue.
- (c) All issues, complaints, and requests shall be submitted to the Board in writing five (5) days prior to the annual meeting.

Section 8.4 Notice of Meetings

- (a) Board Meetings: Notice of Board Meetings shall be given in accordance with the Association Documents.
- (b) Owners Meetings: Notice of owner's meetings shall also be given in accordance with the Association Documents, but in addition, notice of such shall be physically posted in a conspicuous place to the extent such posting is feasible and practical and may be given by electronic posting or electronic mail notices pursuant to C.R.S. § 38-33.3-308.

Section 8.5 Executive Sessions. The Association's Board may meet in executive closed sessions to discuss matters described in C.R.S. 38-33.3-308(4), 38-33.3-317(3) and (3.5) or to discuss possible or actual criminal misconduct, any matter which is subject to specific constitution and statutory or judicially imposed requirements protecting the proceedings, any matter of disclosure which would constitute an unwarranted invasion of individual privacy, and any matter which involves a review and/or discussion relating to any written or oral communication from legal counsel. The Association Board members and other members shall preserve attorney-client privilege regarding consultation and communications from legal counsel.

Section 8.6 Election Procedure. The following shall apply in contested elections only:

- (a) The Association secretary shall be in charge of providing secret ballots, which protect the voters' privacy but also, providing for the security of the election. The ballots shall be counted by a committee of volunteers, who shall be unit owners selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person presiding during that portion of the meeting, provided however, that said volunteers shall not be Board members and, in the case of a contested election, shall not be candidates.
- (b) The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of unit owners participating in such vote.

Section 8.7 Directors Attendance Rule. To the extent allowed by the Bylaws or C.R.S. 7-128-107(4), any Director who fails to attend (3) three meetings of the Board of Directors in any calendar year may be removed from the Board, if a majority of the Board votes to remove the Director.

Section 8.8 Communications by e-Mail, Text or Voice Messaging. Communications by and between Board members by electronic means do not constitute meetings, and are merely discussions, and any official motion and action must be taken at the meeting itself.

ARTICLE 9
Reserve Studies and Investing Association Reserves

Section 9.1 Standards. The directors and officers of an Association must meet the standards of care required for Colorado non-profit corporations when investing reserve funds. Those standards require directors and officers to act:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and
- (c) In a manner the director or officer reasonably believes to be in the best interest of the Association.

Section 9.2 Reliance on Professionals. In discharging this duty, directors and officers may rely on people who the directors or officers reasonably believe have professional or expert competence, such as community managers.

Section 9.3 Investment Procedures. The Board of Directors should establish the amount to be transferred to and/or retained in reserve funds on an annual basis. The amount of Reserve Funds approved by the Board shall be recorded in the meeting minutes. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments recommended by a financial advisor pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds. All investments must be insured by FDIC, SIPC or comparable insurance.

Section 9.4 Investment Goals. The reserve funds shall be invested to achieve the following goal, in descending order of importance:

- (a) Promote and ensure the preservation of principal;
- (b) Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
- (c) Mitigate the effects of interest rate volatility upon reserve assets
- (d) Seek the highest level of return that is consistent with preserving the principal and accumulated interest
- (e) Minimize investment costs.

Section 9.5 Investment Circumstances. The Board of Directors may consider the following circumstances in investing reserve funds:

- (a) General economic conditions
- (b) Possible effect of inflation or deflation
- (c) Expected tax consequences
- (d) Role that each investment plays in the overall investment portfolio;
- (e) Other resources of the Association.

Section 9.6 Review of Accounts. 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 shall be reviewed at least once per year.

Section 9.7 Authority of Officers. The President, Treasurer or Manager, if authorized by the Board, shall be authorized and empowered to purchase, invest in, acquire, sell or assign any and all types and kinds of investments meeting the goals in Sections 9.3 and 9.4, and to enter into agreements, controls and arrangements with respect to such security transactions and to execute, sign or endorse agreements on behalf of the Association. For a more complete description of the authority of officers see Article 4, Section 4.6 of the Bylaws of the Deer Run at Nor'wood Homeowner's Association.

Section 9.8 Fidelity Insurance. The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds.

Section 9.9 Monthly Statements. The Association's treasurer or other person designated by the Board shall maintain monthly statements, including detailed accounting of current values, income and all transactions.

Section 9.10 Reserve Studies. The Association may or may not have undertaken a reserve study in the past, and the Board of Directors may, at its sole discretion, have reserve plans or reserve studies done in the future, but absolutely no representation is made as to the frequency of such reserve studies, the source of any current or projected funding for reserves or whether those studies will be based upon physical analysis, financial analysis or both. The Board of Directors may modify, add or delete any component of any reserve plan, study or Association budget. Copies of any future reserve study or financial document may be available in accordance with the Association's Records Rule.

Section 9.11 Records Retention. For information purposes, the HOA Treasurer should retain a copy of payment supporting documents for the current year plus one. Information copies of tax returns, budgets, and contract agreements should be kept for 7 years. The contract accounting firm and tax preparation CPA have the legal responsibility to retain "original" supporting documents. See Attachment 9 for details.

ARTICLE 10
Additional Rules and Regulations

Section 10.1 Additional Rules/Regulations and Policies/Procedures. The Association has adopted additional policies regarding homeowner actions. These policies are listed below and may be found on the HOA website.

- (a) Guidelines for Deer Run Landscaping
- (b) Solar Panel Installation Guidelines
- (c) Allowable Pets and Installation/Use of Electronic (Invisible) Fencing

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ATTACHMENT 1 (Ref: Section 1.4 (b))
SAMPLE NOTICE OF ACCOUNT DELINQUENCY

SENT BY FIRST CLASS MAIL or CERTIFIED MAIL RETURN RECEIPT REQUESTED

Name and address

RE: NOTICE OF ACCOUNT DELINQUENCY

Association _____

Unit Address _____

Dear _____

According to the Association's records, your account is currently delinquent. The total amount due is \$_____ as of the date of this letter. That amount will increase for any subsequent assessments, late charges, interest, attorneys' fees or other costs of collection. A copy of your ledger is attached, and it shows how the current total was determined.

This letter constitutes a demand for your prompt payment of the above amount in full to cure your delinquency. Your failure to do so within thirty (30) days may result in your delinquent account being turned over to a collection agency, and/or a lawsuit may be filed against you, and/or filing and foreclosure of a lien against your Unit, and/or the Association taking other remedies against you or your Unit as are available under Colorado law.

If you have any questions regarding your ledger or your account, you should contact in writing the person shown below ("Contact Person") at the address shown below ("Contact Address")

You may qualify for an opportunity to enter into a payment plan as provided in the Association's Assessment Collection Rule. If you wish to discuss or request a payment plan, you must promptly contact, in writing, the Contact Person at the contact address shown below. However, if you fail to pay promptly or fail to agree to a payment plan, the Association may take the further collection actions described above and may seek to recover the collection costs from you. This is a serious matter that requires your immediate attention.

Sincerely,

Association:

Name of Contact Person:

Address of Contact Person:

ATTACHMENT 2 (Ref: Section 1.8(a)(2))
SAMPLE STATUTORY ASSESSMENT LIEN

Know all parties by this document, the Deer Run Homeowners Association (hereinafter referred to as the Association) hereby files the following lien in the real property records of El Paso County, Colorado.

1. This lien is filed and claimed by the Association against the following real property:

LOT _____, IN EL PASO COUNTY, COLORADO, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK_____

Purported Record owner(s), Property Address and Current Mailing Address: See Attached information from El Paso County Assessor's records.

2. On this date, when this lien is signed, the Association's records indicate that the amount of indebtedness or other sums to be due and owing to the Association is \$_____, which includes assessments through _____ and other sums, but in addition to said amount, the Association may be owed the following: additional interest, late charges, costs, attorneys' fees, and subsequent assessments and sums.
3. This Statutory Assessment Lien is filed pursuant to the Colorado Common Interest Ownership Act (C.R.S. § 38-33.3-101, et seq.), including C.R.S. § 38-33.3-316.
4. Information regarding the current and subsequent status of this lien can be obtained from the Association's registered agent or the agent shown below.
5. Nothing contained herein or done pursuant hereto shall affect, bar, waive or impair the Association's rights under the Declaration of Conditions, Covenants, Restrictions, _____, recorded _____ and any amendments thereto, all of the El Paso County Records, State of Colorado. Nothing contained herein or done pursuant hereto shall affect, bar, waive or impair any other right or remedy of the Association or otherwise; nor constitute any election of remedies.

IN WITNESS WHEREOF, the Board of Directors of the Association has authorized and caused this Statutory Assessment Lien to be prepared for filing on this ___ day of _____ 20__.

DEER RUN HOMEOWNER'S ASSOCIATION,
A Colorado non-profit corporation,

By: _____
of the Association
Association Address:

STATE OF COLORADO)
COUNTY OF EL
PASO)

The foregoing instrument was acknowledged before me this ___ day
of ___ 20___, by as _____ of the _____ Association.

ATTACHMENT 3 (Ref: Section 1.4.b)
SAMPLE COVENANT ASSESSMENT LIEN

KNOW ALL PARTIES BY THIS DOCUMENT, THAT THE DEER RUN HOMEOWNERS ASSOCIATION (hereinafter referred to as the "Association) hereby files the following lien in the real property records of El Paso County, Colorado.

1. This lien is filed and claimed by the Association against the following real property:

LOT _____, IN EL PASO COUNTY, COLORADO, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK _____

Purported Record owner(s), Property Address and Current Mailing Address: See attached information from El Paso County Assessor's records.

2. On this date, when this lien is signed, the Association's records indicate that the amount of indebtedness or other sums to be due and owing to the Association is \$_____, which includes assessments through _____, and other sums, but in addition to said amount, the Association may be owed the following: additional interest, late charges, costs, attorneys' fees, and subsequent assessments and sums.

3. This Covenant Assessment Lien is filed pursuant to the Declaration of Conditions, Covenants, Restrictions, _____, recorded _____ and any amendments thereto; all of the El Paso County Records, State of Colorado.

4. Information regarding the current and subsequent status of this lien can be obtained from the Association's registered agent or the agent shown below.

5. Nothing contained herein or done pursuant hereto shall affect, bar, waive or impair the Association's rights under the Colorado Common Interest Ownership Act (C.R.S. 38-33.3-101, et seq.), including C.R.S. 38-33.3-31(or otherwise, nor constitute any election of remedies.

IN WITNESS WHEREOF, the Board of Directors of the Association has authorized and caused this Covenant Assessment Lien to be prepared for filing on this ___ day of _____ 20__.

DEER RUN HOMEOWNERS ASSOCIATION,
A Colorado non-profit corporation,

By: _____

of the Association

Current Mailing Address for Association:
STATE OF COLORADO. COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this ___ day of _____ 20__,

By _____ as _____ of the Association.

Attachment 4
Sample Notice of Hearing

To be sent via certified mail with return receipt requested

Date

Mr. and/or Mrs. Homeowner

Street Address

Colorado Springs, CO 80918

Dear Mr. and/or Mrs. Homeowner:

This office is the managing agent for the _____ Association, Inc., a Colorado nonprofit corporation (hereinafter the "Association"). The Association was formed pursuant to that certain Declaration of Covenants, Conditions, Restrictions and Easements for Homeowner Association, Inc. recorded August 23, 1972, at Reception No. 912751, of the El Paso County, Colorado real property records, and any subsequent recordings thereto, (hereinafter the "Covenants").

You have already been notified that you are in violation of the Governing Documents yet the violation has continued. Therefore, pursuant to its rights granted by state law (Colorado Revised Statute C.R.S. 38-33.3-302(l)(k), and pursuant to its rights set forth in the Governing Documents, the Board of Directors of the Association hereby notifies you of a hearing on the matter.

The hearing will be held before the Board of Directors on (Day), (Date) at (Time) at the (Location). At that hearing, you will be given an opportunity to be heard. The Board may then, upon a finding of the violation of the covenants, levy a fine against you and your property. The Board further reserves the right to also pursue other rights and remedies simultaneously or subsequently.

If you have any questions about the hearing, please contact me. However, please reserve your comments and defenses, if any, regarding the violation for the hearing before the Board of Directors.

Sincerely,

Managing Agent

ATTACHMENT 5
SCHEDULE OF FINES

If fines are required and imposed after a hearing by the Board, they may begin as soon as after a two (2) day grace period to resolve the violation after scheduled date of the hearing.

SCHEDULE AND MAXIMUM AMOUNT OF FINES

IMMEDIATELY AFTER HEARING AND GRACE PERIOD	30-DAYS AFTER HEARING IF CORRECTIVE ACTION HAS NOT BEEN TAKEN	60-DAYS AFTER HEARING IF CORRECTIVE ACTION HAS NOT BEEN TAKEN
\$50.00 PER DAY UNTIL VIOLATION IS RESOLVED	\$100.00 PER DAY UNTIL VIOLATION IS RESOLVED	\$200.00 PER DAY UNTIL VIOLATION IS RESOLVED

At their discretion, the Board may adjust fines depending on the severity of the violation.

ATTACHMENT 6
LIST OF ASSOCIATION RECORDS FOR
POSSIBLE EXAMINATION AND COPYING

The following Association records may be available for examination and copying to the extent in existence and controlled by the Association, and in compliance with the Associations Record Rules:

1. Declaration of covenants, conditions and restrictions of the Association (the declaration); (this shall include the recording date and recording number of the declaration);
2. Articles of incorporation;
3. Bylaws;
4. Policies, procedures, rules and regulations, and resolutions adopted by the Association under C. R. S. 38 – 33.3209.5 and other rules or policies, relating to the characteristics, qualifications, rights, limitations, and obligation of members;
5. Detailed records of receipts and expenditures affecting the operation and administration of the Association;
6. Records of claims for construction defects and amounts received pursuant to settlement of those claims;
7. Minutes of all meetings of its owners and the board, a record of all actions taken by the owners to the board without a meeting, and a record of all actions taken by any committee of the board;
8. Written communications among, and the votes cast by, board members that are directly related to action taken by the board without a meeting pursuant to Section 7 – 128– 202, C. R. S. or directly related to an action taken by the board without a meeting pursuant to the Association’s Bylaws;
9. The names of the owners in a form that permits preparation of a list of the names of all owners and the physical mailing address is at which the Association communicates with them, showing the number of votes each owner is entitled to vote;
10. Financial statements as described in section 7-136-106, C.R.S. , for the current and past three fiscal years and tax returns of the Association for the past seven years to the extent available;

11. A list of the names, electronic mail address, and physical mailing addresses of its current board members and officers;
12. Association's most recent annual report delivered to the Secretary of State, if any;
13. Financial records sufficiently detailed to enable the association to comply with section 38-33.3-316 (8) concerning statements of unpaid assessments;
14. The Association's most recent reserve study, if any;
15. Current written contracts to which the association is a party and contracts for work performed for the association within the immediately preceding two years;
16. Records of board or committee actions to approve or deny any requests for design or architectural approval from owners;
17. Ballots, proxies, and other records related to voting by owners for a minimum of one year after the election, action or vote to which they relate;
18. Resolutions adopted by the board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
19. All written communications within the past three years to all owners generally as owners;
20. The date of the Association's fiscal year;
21. The Association's operating budget for the current fiscal year;
22. A list (organize by unit type) of the Association's current regular and special assessments;
23. The results of any financial audit or review for the immediately preceding fiscal year;
24. A list of all association insurance policies, the name, addresses and phone number of the association and its managing agent, if any.

Attachment 7
DOCUMENT REQUEST FORM

Deer Run Homeowners Association
c/o Bennett-Shellenberger Realty, Inc.
1710 E. Pikes Peak Avenue, Suite 200
Colorado Springs, CO 80909
(719) 471-1703; FAX (719) 471-1707

(Please print clearly)

Name of Requesting owner: _____

Requested Date and Time for Examination:

Unit Address:

Daytime Telephone Contact: _____

I request to examine or copy the following:

Declaration of Covenants, Rules & Regulations, Bylaws, Minutes (please specify) Articles of Incorporation, Operating Budget for current year, Policies & Procedures. Most recent financial statement, Other: _____

Pursuant to Colorado State Law and the Association's procedure regarding member access, inspection and copying of the Association's documents, I agree to pay in advance the cost of copying (\$1/copy) and staff time (to be determined per hour or part of an hour), as set by the Association's records custodian. Payment must be received at time of examination, paid by certified funds or money order (no cash). I further agree that if the cost exceeds the estimate I will pay the additional charges at the time of inspection or prior to copying and delivery of records. I certify that my request to review the books and records of the Association is in accordance with the Association's Records Policies and that this request is not for commercial purposes or my personal financial gain or for any solicitation, illegal or other use that violates the Association's Records Policy. I agree that I am solely responsible for any legal liability or damages arising from or relating to my use of the information; and that the Association assumes no liability or responsibility for the information provided, nor its use or misuse, and that the Association does not warrant or represent the accuracy, completeness, nor any other matter in the materials provided. I agree that any information shall not be used for commercial, solicitation, illegal or other use in violation of the Records Policy, and to indemnify the Association from any claims or expenses resulting from the use of such information, in the event the records provided to me by the Association are used in violation of this form; in such case, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its Governing Documents and/or Colorado law. I understand that examination of books and records of this Association will be made available during normal business hours in accordance with state law at a time and place designated by the Association. I estimate that the inspection will require __ hours. I understand that this Document Request Form must be submitted at least ten (10) days prior to inspection. I understand that I will pay as noted above, the labor costs for retrieving, copying, and/or witnessing the examination of books and records of this Association.

Signature of Requesting owner: _____

Date of Signature: _____

Printed Name of Requesting owner:

ATTACHMENT 8
RULES OF ORDER

Rules of Order for Association Boards

by: Jeffrey A. Goldberg

edition 1.1

Introduction

edition 1.1
edition 1.0

Rules of Order

I. Agenda

- A. Call to Order**
- B. Review of Agenda**
- C. Approval of Previous Minutes**
- D. Officer or Committee Reports**
- E. Open Forum**
- F. Old and New Business**
- G. Executive (or Closed) Session**
- H. Adjournment**

II. Motions and Discussion

- A. Discussion**
- B. Voting**
- C. Procedural Motions**
 - 1. Procedural Motions During Discussion**
 - 2. Procedural Motions Made Anytime**
 - 3. Method of Handling Procedural Motions**
 - 4. Discipline and Order**

Copyright Notice - Please Read

INTRODUCTION

INTRODUCTION TO EDITION 1.1

There have been numerous downloads of the Rules of Order since they were first published in 1997. We assume that they have been adopted, in whole or in part, by hundreds of associations nationwide. This revision of the Rules of Order is based upon the criticism, comments, and questions we have received since the first publication.

This edition has a number of various small changes which are designed to clarify issues raised by questions from board members who have attempted to use these Rules. In addition, we have placed the rules in html format and hyperlinked the sections for ease of use. Although the author practices law in Illinois, it has become apparent that most users of this document are located in other jurisdictions.

Therefore, we have attempted to make these rules more general without incorporating the provisions of Illinois law. As always, we strongly recommend that the board consult with its attorney regarding revisions to these rules to conform to the law of your jurisdiction and to make sure the rules are adopted properly. We have received numerous questions about how a board might adopt these Rules. In many cases, it may be necessary for the Association to amend its bylaws to specifically adopt these rules. Again, the board simply must consult with its attorney regarding these issues.

We have received much criticism of the provisions that foreclose unit owners from participation in the board meetings (after the conclusion of the open forum). We have chosen not to make any changes to our original concept in this regard, because we believe that the board members must be free to conduct the business of the Association without undue interference from the unit owners. The rules are flexible, however, and permit the board to recognize unit owners whenever the board deems it appropriate. Therefore, each board can choose for itself how much it wants the unit owners to participate.

Some have commented that our Rules are not tough enough to avoid abuses by the Chair. We have not altered the basic principle of the Rules to give a great deal of authority and power to the Chair (and giving a majority of the board the power to overturn the Chair at any time), we do recognize that a Chair can become very powerful and manipulative and may quash dissenting voices. We have made some minor changes to try to address this problem. For example, if the Chair refuses to recognize a Movant, he or she may make a motion to remove the Chair or to make a dissent without being recognized by the Chair. Ultimately, however, it is the majority of the board who exercises control over board meetings. If the board members are weak and fail to control the Chair, there is little that can be done to reign in the Chair.

This edition of the Rules should be identified as "Rules of Order for Association Boards, edition 1.1"

As before, we urge the widest distribution of this document and ask only that it not be used for commercial purposes (except with our permission) and that the copyright notice at the end of the document must remain intact.

The author would like to thank those persons who took the time to comment upon and ask questions about these Rules of Order. Your suggestions have been incorporated into this edition. We would like these Rules to improve and evolve over time. Your experiences, comments, questions, and suggestions are welcome. - jg

INTRODUCTION TO EDITION 1.0

The one thing that almost every homeowners' association board seems to need is a simple and dignified system of order for its meetings which its members can easily learn and apply. Robert's Rules of Order are rarely applicable to the needs of an association board. Even where they do apply, most board members have trouble finding the time to adequately learn the complex rules and procedures of Robert's Rules. Parliamentary bodies certainly are so complex that they do require the detail and richness that Robert's Rules provide. Yet association boards tend to be relatively small in number and they operate with less formality. The needs of association boards require a very simple but comprehensive system for conducting business. Too many association board meetings consist of shouting matches between various opinionated members. Other meetings find one or two individuals in full control of the board while the other members are rarely able to assert themselves or even have the chance to speak their mind. A proper board meeting is orderly and fair, with each board member having the full opportunity to contribute to the discussion and to offer ideas and make motions. The author presents these Rules of Order for Association Boards towards this end.

The Rules of Order for Association Boards are based upon a few simple themes: 1) Only board members are entitled to participate in conducting board business. A time is provided for the unit owners to speak their minds, but that forum is limited and is not an open debate. Once the open forum is closed, only board members may speak. 2) The board itself is firmly in control and each board member must have equal opportunity to speak in turn. The Rules provide for a strong Chairperson but ultimately all matters are for the board to decide. The Chair is responsible for making sure that each board member speaks in turn and that no member dominates the discussion. 3) Procedures should be kept to a minimum and the board members should seek to acquiesce in as many procedural matters as possible. Of course, where a consensus is impossible, the board simply must vote and decide. However, in many instances, the Rules suggest that the board should simply accept a particular procedure. If the board operates in the proper spirit, the functioning of the Association should be smooth and efficient without the need to take constant votes on every little procedure. The basic premise is to give the Chair the power to decide most every procedural aspect, with the right of any board member to appeal to the board on every such decision. In this way, the board can go along with the Chair in the ordinary course of business but it still retains its power to overrule the Chair. All procedural motions found in Robert's Rules are replaced by this simple mechanism.

4) Board deliberations should be free and open. These Rules place little restrictions on debate. Each

item of business that comes before the board is to be handled in turn, but there are no limits to the number of motions that can be addressed at the same time on the same subject. Motions do not have to be seconded to be brought into play. The board fully discusses an item of business and then simply proceeds to vote on each motion presented. Adoption of these Rules of Order can be done by a simple board resolution. It is preferable to have unanimous consent of the board to the adoption of the Rules so there is no question in the future of the right of the board to enforce the Rules against the individual board members. If an Association deems it necessary, these Rules of Order could be adopted by reference in the Association's by-laws.

When adopting these Rules, the board should identify them as follows: "Rules of Order for Association Boards, edition 1.0" The author presents this edition 1.0 of the Rules of Order for Association Boards with the hope that board meetings everywhere might run just a little more smoothly and with less rancor than before.

After experimenting with these Rules in your association, the author hopes that you will share your experiences, comments and suggestions with him so that future editions of the Rules may benefit from the collective wisdom of association boards everywhere. - jg



RULES OF ORDER:

I. Agenda

A. Call to Order

1. The Chair must verify that all members of the board have received proper notice of the meeting or confirm that all are in attendance.
2. The Chair may call the meeting to order only if a quorum of the board is present in person. If a quorum does not exist, the meeting is not qualified to conduct business (unless applicable law or the bylaws provide otherwise, telephone participation is acceptable provided that the phone participant can hear and be heard by all other board members and the unit owners in attendance). A board member may not appear by proxy or mail ballot.
3. The meeting must be open to the unit owners and the board and unit owners must receive notice of the meeting, to the extent and in accordance with, the bylaws or applicable law.

B. Review of Agenda

1. The first draft of the agenda is prepared by the managing agent or one of the officers prior to the meeting. Agenda items should ordinarily appear in the order as set forth in these Rules of Order.
2. The agenda “belongs” to the board -- the board may modify the agenda as it pleases by a majority vote. This power should be used only when necessary as proper functioning of the board requires advance planning.
3. At this point in the agenda, the board members may add or delete items from the agenda and may change the order of presentation (All of these Rules of Order are suggested but are not required and may be changed by the majority vote of the board at any time).
4. When possible, changes to the agenda should be done by acquiescence of all board members. Formal voting on the agenda is only necessary where it appears to the chair that there is a disagreement.

C. Approval of Previous Minutes

1. The minutes need not be read aloud but they should be entered into the Association’s official minute book. The minutes of previous minutes are not the official minutes of the board unless and until the board votes to accept them.
2. The minutes are prepared by either the secretary or the managing agent (or some other person appointed by the board to act as recording secretary). Any board member may suggest changes to the minutes before the board adopts them. The suggested change should be set forth in the minutes for the record, and then the board should adopt or reject such changes.

3. Minutes should state precisely each motion considered by the board, and identify the board members voting in favor, against, or abstaining, and whether the motion was carried. Minutes need not reflect the comments made except in those instances when the board desires to make a specific record. Whenever the board makes a decision that the board feels may subject it to potential claims or liability, it shall be appropriate for the board to enact a resolution that states all of the facts and circumstances, the professional advice, and the rationale or other considerations upon which the board's decision was based. Otherwise, it is not necessary, appropriate or recommended for the board to set forth the comments or discussion related to a specific motion. However, dissents by a board member should be fully stated in the minutes.
4. When possible, changes to the minutes and adoption of the minutes should be done by acquiescence of all board members. Formal voting on the minutes is only necessary where it appears to the Chair that there is a disagreement.
5. The board should not prepare minutes of meetings in closed session, unless the applicable law permits the board to take action in closed session.

D. Officer or Committee Reports

1. This is the time in the agenda when any committees of the board or officers of the board may report their findings or recommendations to the board.
2. The full report should be presented and then each board member, in turn, may ask questions or comment. It is not appropriate to make motions or discuss items of business during this portion of the meeting.
3. This time should also be used for any presentations to be made to the unit owners by the board or its officers.

E. Open Forum

1. Although the law may not require the board to provide an open forum for the unit owners to speak about their concerns, it is the custom and practice of most associations.
2. Strict time limitations should be imposed by the board (subject to the requirements of applicable law) and these limitations must be enforced. Each unit owner should address the Chair and must speak courteously and to the point.
3. Board members may question the unit owner about the problem or concern. Other unit owners are not entitled to be recognized or to comment or question the speaker, except with the permission of the board.
4. Once the open forum period is closed, the unit owners are not allowed to participate and may not seek to be recognized unless the board specifically requests input or information from a particular unit owner. This restriction must be

strictly enforced because the purpose of the board meeting is for the board members to conduct business and this cannot be done if there is interference from the unit owners. All disruptions by unit owners must be addressed by the Chair and repeated violators must be removed from the meeting.

F. Old and New Business

1. All items that were tabled during previous meetings must be revisited during the business portion, unless otherwise voted by the board.
2. The board may vote to postpone consideration of any old business or it may remove any item from consideration.
3. Except in the case of emergency business, all new items of business are heard only after all of the old items have been addressed by the board (either by adopting or rejecting a motion or by postponing or removing the item from consideration).
4. All business must be conducted in the form of motions or resolutions adopted by a vote of the board (see Part II)
5. Any emergency items decided by the board between board meetings should be discussed and ratified at an open meeting (when required by law).

G. Executive (or Closed) Session

1. When executive or closed sessions are permitted by law, the board should move into executive (closed) session only after the regular business is conducted but before formal adjournment. All unit owners must be asked to leave except for those having a reason to participate (such as witnesses at a rule violation hearing)
2. Only the statutory exceptions are good cause for moving into executive session. The board should announce to the unit owners the purpose of the executive session (such as “to discuss rule violation matters”)
3. Except as permitted by applicable law, no decisions, resolutions, or motions may be adopted in executive session. All business must be conducted in an open portion of the meeting.
4. The board should not take minutes of executive sessions, except when the law permits the board to make decisions in closed sessions..

H. Adjournment

1. Upon motion carried by the board, or, upon the conclusion of the agenda, the Chair shall announce the meeting is adjourned and the minutes shall reflect the time of adjournment.

II. Motions and Deliberations

A. Discussion

1. The president is normally the Chair of the board meeting. The Chair's role is to facilitate deliberations and to assist the board in conducting its business in a fair and efficient manner. By a majority vote of the board, the president or other incumbent Chair, may be removed from the Chair and any other board member may be assigned to Chair the meeting.
2. When an item of business is to be discussed, the Chair announces the item to be discussed and opens the floor to discussion.
3. The Chair, as a member of the board, is entitled to voice his or her opinion, and cast votes on matters that come before the board. However, the Chair has the responsibility for providing each member of the board an equal and fair opportunity to be heard.
4. No board member may speak until recognized by the Chair (except that a motion to remove and re-assign the Chair, and a dissent, may be made without recognition when no other person has the floor and the Chair has unreasonably failed or refused to recognize the Movant). No board member may interrupt the speaker who has the floor.
5. The Chair may impose reasonable time limitations. All time limitations must be uniformly imposed upon all of the board members. The speaker shall be given a one-minute warning before time runs out. By vote of a majority of the board, time limits may be extended.
6. The Chair is to recognize each board member in turn. Discussion shall be limited to the item of business at hand, and the Chair shall have the authority to take the floor from a speaker who does not limit discussion to the item of business at hand. No board member may speak to an issue for a second time until all other board members have had the opportunity to speak to it for the first time. Likewise, no board member may speak to an issue for a third time until all other board members have had the opportunity to speak to it for a second time.
7. A unit owner or a guest may be recognized to speak only if a board member wishes to obtain input from a unit owner and the board agrees. When possible, allowing a unit owner to participate in the deliberations should be done by acquiescence of all board members. Formal voting on the question is only necessary where it appears to the Chair that there is a disagreement.
8. When it appears to the Chair that all board members have had the opportunity to fully discuss the matter at hand, the Chair should announce that the item of business is ready for a vote.

B. Voting

1. There are 3 basic motions for each item of business

- i. A motion to adopt a specific action by the board.
- ii. A motion to table the item to another (including fact-finding assignments to a person or committee).
- iii. A motion to remove an item from consideration.

2. The board is limited to one item of business at a time, but there are no limits to the number of motions that may be considered as to how to dispose of that item of business. Motions need not be seconded.

3. After each board member has had the opportunity to discuss each motion presented for consideration, the Chair will call each motion presented to a vote. Those motions adopted affirmatively by a majority of board members present are carried, provided a quorum is present.

4. The fact that a motion has been adopted or failed does not prevent the item of business from being added to the agenda in the future and all motions may be reconsidered at any time by the board.

5. In the event that a board member believes that an action by the board is unlawful, contrary to the power and authority of the board, or not in the best interests of the Association, that board member may make an oral or written dissent explaining the reasons why he or she believes that a dissent is necessary. The oral or written dissent shall become part of the minutes.

C. Procedural Motions

1. Procedural Motions During Discussion

- i. Modify, or Withdraw a Motion - Only the original movant may modify or withdraw his or her motion. Other board members may modify a motion by presenting it in the form of their own motion.
- ii. Motion to End Discussion and Vote on Motion - This is not a true motion but is in the nature of a request to the Chair that the motion under discussion be brought to a vote. If the Chair refuses, the member may appeal the decision (see below).

2. Procedural Motions Made Anytime

- i. Appeal Decision of the Chair - Any member may appeal the decision of the Chair. The matter then shall be brought to a vote before the board.
- ii. Suspend the Rules - Any member may make a motion to suspend the rules including the reasons why the board should modify the rules or procedures in an individual case.

3. Method of Handling Procedural Motions

- i. If there is general acquiescence of all board members to the motion, then the motion may carry without a formal vote.
- ii. If there is disagreement about the procedural motion, the matter shall be taken to a vote of the board. Once the board has ruled upon a procedural motion, there is no right to reconsider or to repeat the motion.
- iii. There are no Questions of Privilege or Points of Order. All procedural questions are merged into the Appeal Decision of the Chair.
- iv. No person other than board members may make any motion, including Procedural Motions.

4. Discipline and Order

- i. In the event a board member violates any of these Rules or the decisions of the Chair, then the Chair may declare the member out of order.
- ii. With respect to a member who is out of order, the following discipline may be imposed at the discretion of the Chair:
 - a. the member may be warned without sanction
 - b. the member may be excluded from discussion on the item of business at hand.
 - c. the member may be excluded from discussion of all items of business
 - d. for gross interference with the meeting, the member may be removed from that meeting.
- iii. A member who is declared out of order has the right to appeal the decision of the Chair both as to the question of whether the member was out of order and as to the question of discipline. The board shall approve or deny the appeal by a majority vote, except that the extreme sanction of removal from a meeting shall be upheld only by the vote of at least 2/3 of the members of the board.
- iv. If the board upholds the declaration and/or discipline, the member has the right to dissent for the record before the imposition of sanctions.
- v. The legality of these sanctions depends upon the fact circumstances in which they are imposed. These sanctions should be used sparingly and only to the extent necessary to keep order. The board should obtain legal advice with respect to its authority to impose sanctions with respect to its own governing documents, applicable law, and the facts in any specific situation.



NOTICE

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_____ END OF DOCUMENT _____

ATTACHMENT 9 (Ref: Section 9.11)
DOCUMENT RETENTION CHECKLIST

The following is a general checklist for how long records should be kept.

Permanent Records

1. Governing Documents

- Declaration or CC&Rs
- Bylaws
- Articles of Incorporation
- Plats and/or Condominium Map
- Rules and Regulations – Policies and Procedures
- Governance Policies
- Architectural guidelines

2. Minutes

- Board and membership meetings (Secretary)
- Committees with decision-making authority (Secretary)

3. Deeds to property owned by the Association

4. Architectural Plans

Seven Years

To ensure that all statutes of limitations have passed, the following records should be kept for seven years before disposing of them.

1. Financial Records

- Budgets (Accounting Firm & Treasurer)
- General ledgers, journals and charts of account (Accounting Firm)
- Year-end financial statements (Accounting Firm & Treasurer)

- Accounts payable (Accounting Firm)
- Accounts receivable ledgers, trial balances and billing records (Accounting Firm)
- Cancelled checks and bank statements (Accounting Firm)
- Expense analysis and expense distribution schedules (Accounting Firm)
- Invoices from vendors (Accounting Firm)
- Deposit slips (Accounting Firm)
- Reconciliations (Accounting Firm)
- Petty cash vouchers (Accounting Firm)
- Purchase orders (Accounting Firm)

2. Expired Contracts (Treasurer)

3. Personnel Records (payroll records and employee records after termination)

4. Insurance Records

- Accident reports
- Settled claims
- Expired policies
- Fidelity bonds
- Certificates of insurance

5. General Correspondence

6. Closed Litigation Files

7. Newsletters

8. Expired Warranties

9. Tax Returns (Tax Preparer & Treasurer)

One Year

Ballots and proxies must be retained by associations for no less than one year after the date of the election.

Secure Destruction

Whenever an association disposes of records, it must ensure that the records are completely destroyed, preferably by shredding or incineration.

Litigation Hold – Records for Lawsuits

Records should not be destroyed if the association has notice of or reasonably believes it will be involved in a lawsuit. The destruction of relevant records could result in sanctions imposed in the pending lawsuit or in exemplary or punitive sanctions in order to adequately compensate the victim of such conduct or to deter future culpable conduct.

ATTACHMENT 10 (Ref: Section 3.6 (c))
SAMPLE NOTICE OF RECEIPT OF ASSOCIATION ACCOUNT STATEMENT AND ACKNOWLEDGEMENT
OF RECEIPT AND ACCEPTANCE OF RULES AND REGULATIONS

ASSOCIATION ACCOUNT STATEMENT

DEER RUN AT NOR'WOOD HOME OWNERS ASSOCIATION, INC

DATE: _____

TO: _____

FROM: Deer Run at Nor'Wood Homeowners Association, Inc. (the "Association")

ADDRESS FOR PAYMENT:

Bennett Shellenberger Realty
1710 East Pikes Peak Ave., Suite 200
Colorado Springs, CO 80909

RE: ---- Property Address ----, Colorado Springs, Colorado (the "Unit")

You have requested that the Association provide this Association Account Statement (the "Statement"). This Statement is intended to be provided only to an owner or holder of a security interest, or their designee, upon a sufficient written request, and **shall be null and void if the required fees and sums are not fully, timely paid to the Association and the terms and conditions of this Statement are not met.** The Association provides no other information regarding the Unit, but its books and records are available for inspection by owners or authorized agents to the extent provided by law.

A. Based upon the Association's records, the status of the common expense assessments with respect to the above-referenced Unit is as follows:

- 1) Total of delinquent assessments and sums owed to the Association through _____, 20__, are \$_____.
- 2) Monthly assessments are as of the above date \$_____ per month, due on the first day of each month.
- 3) Unpaid working capital or reserve deficiencies are \$_____.
- 4) Special assessment currently owed in the amount of \$_____.

TOTAL SUM OWED TO THE ASSOCIATION AS OF ABOVE DATE: \$_____.

NO ASSURANCES OR REPRESENTATIONS ARE MADE AS TO PENDING OR FUTURE INCREASES IN MONTHLY OR SPECIAL ASSESSMENTS.

B. According to the records of the Association, the above-referenced Unit is owned in the name of:

The Association's records indicate the following assessment liens affecting said Unit: _____. PAYMENT OF STATUTORY LIEN MAY NOT RESULT IN THE RELEASE OF COVENANT OR OTHER LIENS WHICH WILL NOT BE PROVIDED UNTIL ALL SUMS DUE TO THE ASSOCIATION ARE PAID IN FULL.

C. Other fees owed to _____ are as follows: _____ Fee for this Association Account Statement _____ which must be paid no later than _____. **Failure to pay fees will result in the invalidity of this Statement and other legal remedies.**

D. FAILURE TO PAY THE TOTAL SUM OWED TO THE ASSOCIATION WITHIN 14 DAYS OF THIS STATEMENT SHALL RENDER IT NULL AND VOID. THIS STATEMENT DOES NOT WAIVE ANY LEGAL RIGHTS AND REMEDIES TO COLLECT THE TOTAL SUM OWED AND ANY FUTURE SUMS. If the Association does not receive prompt payment in full, the Association reserves the

right to pursue any unpaid balance as a continuing lien against this property, including interest, late fees, and any additional attorney’s fees and costs incurred herein, as provided in the Association’s governing documents.

- E. Any violations of the Covenants must be corrected prior to closing of any transfer of title to the Unit. THIS STATEMENT IS NULL AND VOID UNLESS the Association receives a signed copy of this Statement, and copies of any recorded warranty deed and settlement statements within 7 days of any closing, and there must be compliance with any instructions as set in any accompanying letter.
- F. Any payment of less that the amount quoted above will not release any balance owed to the Association, which reserves its right to claim any sums represented by its recorded assessment lien(s) or the right to file lien(s) therefore in the future or to pursue any other rights and remedies.
- G. YOU ACKNOWLEDGE RECEIPT AND REVIEW OF THE ASSOCIATION’S DOCUMENTS INCLUDING THE ASSOCIATION’S RECORDED COVENANTS, ITS FINANCIAL DOCUMENTS, AND ANY OTHER DOCUMENTS REQUIRED TO BE PROVIDED BY YOUR PURCHASE CONTRACT. YOU AGREE TO COMPLY WITH THE ASSOCIATION’S DOCUMENTS AFTER BECOMING AN OWNER.
- H. **DISCLAIMER: ANY INFORMATION PROVIDED BY THE ASSOCIATION IN THIS STATEMENT OR OTHERWISE IS PROVIDED WITHOUT WARRANTY, OBLIGATION, OR LIABILITY WHATSOEVER. THE UNDERSIGNED AGENT AND THE ASSOCIATION HEREBY DISCLAIM ANY AND ALL RESPONSIBILITY OR LIABILITY TO INVESTIGATE, DISCLOSE, OR RESEARCH ANY MATTERS REGARDING THE FINANCIAL CONDITION OF THE ASSOCIATION OR THE PHYSICAL CONDITION OF ANY PROPERTY THEREIN, INCLUDING, WITHOUT LIMITATION, THE POSSIBILITY OF ANY INCREASES IN ASSESSMENTS OR SPECIAL ASSESSMENTS, ANY ENVIRONMENTAL OR STRUCTURAL CONDITIONS, THE UNIT OR COMMUNITY, OR ANY MATTERS ARISING IN THE FUTURE. ALL OWNERS AND PURCHASERS ASSUME ALL RISK AND HAVE A DUTY TO INSPECT, RESEARCH, AND INVESTIGATE.**

The information contained in this Statement, based upon our records, is current as of _____, 20____.

Deer Run at Nor’Wood Homeowners Association, Inc. (the “Association”).

By:
Title: _____

Seller, Purchaser(s)/Mortgagor(s) acknowledge receipt of this statement and accept the terms of the Statement. Purchaser(s) acknowledge(s) receipt and acceptance of the recorded Covenants, Conditions & Restrictions, Rules and Regulations, and all other documents as required by the purchase agreement. Purchaser(s) has/have reviewed the, agree(s) to accept the benefits, obligations, and restrictions which they impose upon the Property and its Owner(s).

Signature

Date

Signature

Date