

***Mountain Haus Condominium Association  
Amended And Restated  
Statement Of  
Sound Governance Policies***  
*(Revised 4.1 - Effective 2015.04.18)*

*These Amended and Restated Statement of Sound Governance Policies were adopted by resolution of the Board of Managers of the Mountain Haus Condominium Association (the "Association") at a Board meeting held on April 18, 2015.*

*The Board originally adopted Sound Governance Policies at a Board meeting held on April 8, 2006, and has updated and amended the existing Sound Governance Policies to conform to the Colorado Common Interest Ownership Act (the "Act") and to better serve the Owners.*

*Defined terms used in these Policies without definition have the same meaning as set out in the Association Rules.*

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## **Collection of Assessments and Other Amounts Due**

**Rule 29.** Rule 29, entitled “Collection of Assessments and Other Amounts Due” of the Mountain Haus Association Rules sets out the general collections procedures of the Association. This Rule provides that the annual common assessments and, if applicable, the annual condo-tel assessments for hotel operations expenses levied by the Association against a Unit for any fiscal year (collectively, the “Assessments”) constitute a continuing and an immediate lien on such Unit effective the first day of such fiscal year on November 1.

**Due Dates.** Assessments are payable in monthly installments due and payable on the first day of each month, except as provided below (the “Due Date”). Other charges are due as determined or invoiced by the Association.

**Due Dates for Sums Due from First Lien Lenders.** The limited priority liens allowed the Association by state statute, over the lien of a first mortgage, are due on demand from the Association.

**Past Due Policy/ Late Fee.** If the Association does not receive payment in full of any monthly Assessments, fines or other charges assessed or charged to a Unit Owner on or before 45 days after the date of the Owner’s monthly billing statement, such amounts are deemed delinquent (“**Delinquent Amounts**”), and the Owner must pay and is subject to a late fee to the Association in the amount of 5% of such Delinquent Amounts.

**Interests and Costs.** All unpaid Delinquent Amounts bear interest at the rate of 10% per annum from the date originally billed to the Unit Owner until paid in full together with all expenses incurred by the Association related to such late payment, including recording fees, the lien release fee set out below, court costs and reasonable attorney’s fees whether or not a lawsuit is filed (“**Collection Costs**”).

**Deduction from Credit Balances.** Delinquent Amounts, late fees, interest and Collections Costs are to be deducted from an Owner’s credit balance, to the extent thereof. Collections Costs, late fees, interest, fines or other charges assessed or charged to a Unit are treated in the same manner as Assessments and the Association is entitled to the same benefits related to lien rights and other collection and enforcement procedures.

**Return Check Charges.** A fee of \$20.00 will be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Such return check charge is considered an Assessment due and payable immediately, upon demand. The Association is entitled to all additional remedies provided by applicable law.

**Vote Suspension.** Once any payment due the Association remains unpaid within 30 days of the due date, the voting rights of the Owner are deemed suspended.

**Optional Notice to Owner.** After the any assessment or other charge due to the Association becomes delinquent, the Association may send a notice of delinquency, with or without a late

charge, to the Owner who is delinquent in payment. This notice may be sent any time after the payment has not been made within 30 days of the due date.

**Notice to Owner before Referral for Collection.** If the Association does not receive payment in full of any Delinquent Amounts on or before 60 days after the Due Date the Association, through its General Manager, may send a notice to the Unit Owner via email and also by both certified mail and regular mail (the "Notice of Delinquency") before the account is referred for collection.

The Notice of Delinquency is to remind the Owner the Due Date has passed and the account is late, and of interest charges and late charges due.

The Notice of Delinquency sent by the General Manager or a designated representative to the delinquent Owner must include, state or inform the Owner

- of the total amount due
- account for total due
- that a notice of assessment lien (in addition to the lien established by the Declaration and recognized by state statutes) may be recorded against the property of the Owner
- whether the opportunity to enter into a payment plan exists (as provided in this collection policy)
- how the Owner may contact the Association to enter into a payment plan (if a payment plan is available)
- of the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt
- that a lien is in place on the Owner's property, as provided under the Declaration and State law
- that payment is required within 30 days to cure the delinquency
- that failure to pay may result in the Owner's delinquent account being turned over to the attorneys for the Association or a collection agency
- that a lawsuit on the Owner's promise to pay, a foreclosure of the Association's lien or both may be filed against the Owner
- that other remedies available under Colorado law may be sought by the Association
- that the Association may suspend the Owner's and Owner's family members', guests' and tenants' privileges to use the pool, spa area, weight room, and any other Owner amenities, which are paid for by Assessments
- that the Association may terminate services to the Unit, which are paid for by

*Assessments, including without limitation cable, telephone, internet, water and heat.*

**Payment Plans with the Association Arranged by the Association's General Manager.**

- *The Association, through its General Manager or designated representative, will make a good faith effort to coordinate with the Owner to set up a payment plan.*
- *An Owner may enter into a payment plan to pay off a deficiency in equal installments over a minimum period of 6 months or such longer period as authorized by the General Manager or a designated representative, both of which are acting on behalf of the Board of Managers.*
- *If the Owner fails to comply with the terms of the payment plan (fails to remit payment of an agreed-upon installment or fails to remain current with regular assessments as they come due during the payment plan term), the Association may pursue legal action.*
- *The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan.*

**Recording Notice of Lien.**

*After payment is not received within 90 days after the due date, the Association may cause a Notice of Lien to be recorded.*

*If a lien statement for the Delinquent Amounts is recorded in the real estate records as provided in the Condominium Declaration, the Association is entitled to a fee of \$500 to release such lien.*

**Referral for Collection.**

- *If payment in full is not received within 90 days after the Due Date, the Association, or authorized agent of the Association, may turn the delinquent account over for collection.*
- *Once referred to the Association's attorneys or collection agent for collection, the entire account of that Owner is referred, including sums to accrue, until the entire account is paid in full, the account is settled and has a zero balance or is written off.*
- *All sums collected on a delinquent account that has been turned over for collection to an attorney are to be remitted to the Association's attorney or collection agent until the account is brought current.*
- *All payment plans involving accounts referred for collection will be set up and monitored through the General Manager, a designated representative or by the attorney or collection agency in consultation with the Association.*

**Acceleration.**

*If an Owner incurs Delinquent Amounts on its Unit account during any fiscal year, the remaining unpaid annual Assessments for such fiscal year may be accelerated by the Association ("Accelerated Assessments") effective on the date such Delinquent Amounts were posted to such Unit Owner's account or at any later time.*

*Accelerated Assessments are immediately due and payable in full effective the date of acceleration.*

*Notice of acceleration is to be given to the Unit Owner, which notice may be included in such Owner's monthly billing statement.*

*Accelerated Assessments are deductible from an Owner's credit balance, to the extent thereof.*

*Any remaining balance of the Accelerated Assessments is payable in full by the Owner within 30 days after the date of the notice of acceleration.*

*Any Accelerated Assessments not paid within such 30 day period are delinquent and are not subject to a late fee, but which are subject to interest from the date of the notice of acceleration until paid in full, together with Collection Costs.*

### **Communications with Owners.**

*All communication with a delinquent Owner will be handled through the General Manager, a designated representative, or by the Association's attorney or collection agent (once a matter has been referred).*

*The General Manager and members of the Board of Managers are requested and instructed not to discuss the collection of the account directly with an Owner if it has been turned over to the attorney or collection agent unless the attorney or agent is present or has consented to the contact.*

### **Remedies.**

- Lawsuits on Promise/Covenant to Pay. *The Association may pursue a lawsuit against an Owner who has sums due the Association, based on the covenant (or promise) to pay the Association as set forth in the Declaration.*
- Judicial Foreclosure. *The Association may choose to foreclose on its lien in lieu of or in addition to other remedies, as provided for in this policy.*
  - *The purpose of foreclosure by the Association is to obtain payment of all assessments owed.*
  - *If the Association forecloses on its lien, the Owner will lose the Owner's property.*
  - *The Association will not commence a foreclosure action unless the balance of the assessments and charges secured by its lien (which may include late*

*fees, fines and other charges) equals or exceeds six months of common expense assessments based on the Association's periodic budget.*

- *Prior to filing a foreclosure lawsuit, the Board must resolve, by a recorded vote, to authorize the filing against the particular unit, on a specific basis.*
- *Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law.*
- *General. The Association has all of the remedies available to it under the Declaration and Colorado law.*

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

**Application of Payments.** *All payments received on account of any Owner or the Owner's property ("Owner") may be applied as determined by the General Manager, a designated representative or by the Association's attorneys or its collection agency, subject to review by the Board of Managers. Alternatively, payments may be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to the Owner pursuant to the Declaration, Articles, Bylaws, rules, regulations, policies and procedures, prior to application of the payment to any special or regular assessments due or to become due with respect to the Owner.*

**Certificate of Status of Assessment.** *The Association is to furnish to an Owner or the Owner's designee upon written request, received via email or first class postage prepaid, return receipt, to the Association's agent, of a written statement setting forth the amount of unpaid assessments currently levied against the Owner's property for a reasonable fee. However, if the account has been turned over for collection, the request may be handled through the Association's attorneys or collection agent.*

**Bankruptcies of Owner and Foreclosures by Lenders to Owners.** *Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit, the General Manager may notify the Association's attorney or collection agent of the same and turn the account over for collection, if appropriate.*

**Waivers.** *The Association is authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained in these policies and procedures, as the Association may determine appropriate under the circumstances.*

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



**Governing Documents.** Owners should also review the Condominium Declaration for the Mountain Haus (A Condominium) which sets out additional provisions related to Assessments and collection matters, including without limitation, Sections 19, 19A, 21, and 22. Copies of the Condominium Declaration and the Rules are available on the Mountain Haus website <http://new.mountainhaus.com/mountain-haus-governing-document>.



## **Board Member Duties and Handling of Conflicts of Interest Involving Board Members**

### **General Duties.**

- The Board of Managers, and each Board Member, is/are to use best efforts at all times to make decisions that are consistent with the governing documents and law, high principles and to protect and enhance the value of properties of the members and Association.
- All Directors are to exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association.

### **Disclosure of a Conflict.**

If any contract, decision or other action taken by or on behalf of the Board of Managers would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board or any parent or spouse of any of those persons, then that member of the Board must declare a conflict of interest for that issue.

A Board member must declare the conflict of interest in an open meeting prior to any discussion or action on the issue.

### **Voting Restriction on Disclosed Conflicts of Interest.**

After making such declaration, the member may participate in the discussion, but is not to vote on the issue.



## **Email Communication Policies**

The Association's Board of Managers recognizes the limitations involved with email correspondence, and has enacted the following policies and procedures:

### **Board Action Taken Outside of a Meeting via Email.**

- The Board is to endeavor to limit action outside of a meeting, but at times action needs to be taken between Board meetings.
- If the Board feels a decision needs to be made outside of a Board meeting and the vote is to be taken by email, a Board member is to state the motion or issue in a

*distinct email, which is to be sent to all Board members, with a copy to the Association's primary record keeper.*

- *Board members are asked to respond to the email so that all may see the vote and a chain is created.*
- *The proposed action may be taken if the email vote is unanimous.*
- *The purpose of this procedure is to assist the record keeper in determining which email correspondence relates to actions taken outside of a meeting.*
- *Failure to strictly follow this procedure will not negate or invalidate the action.*

**Copies of Emails.** *All Board members are to be included in any email discussion regarding Association business.*

**Purging of Emails.** *Except as required in Policies on the Inspection and Copying of Association Records relating to Board decisions and deliberations by email, and except as to matters related to anticipated or pending litigation, other email communications may be purged after three years.*

**Email Communication between Individual Board Members and Owners.**

- *No individual Board member is authorized to speak for the Board as a whole.*
- *No individual Board member is authorized to communicate with residents on behalf of the Board regarding Association business via email.*
- *Persons who submit an inquiry to an individual Board member are to be directed to submit their concerns and/or questions to the General Manager for inclusion on the agenda at the next Board meeting. The Board as a whole will then have the opportunity to consider the issues which have been properly included on the agenda.*
- *The Board will designate a person to respond to the Owner on behalf of the Board as a whole.*

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**Board Code of Ethics**

*Each Director and the Board as a whole are to adhere to the following Code of Ethics:*

- *No Director is to use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.*
- *No contributions will be made to any political parties or political candidates by the Association.*

- *No Director is to solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.*
- *No Director is to accept a gift or favor made with intent of influencing a decision or action on any official matter.*
- *Directors may be reimbursed for costs of travel to and from Board meetings, if requested.*
- *No Director is to willingly misrepresent facts to the members of the Association for the sole purpose of advancing a personal cause or influencing the members to place pressure on the Board to advance a personal cause.*
- *No Director is to interfere with a contractor engaged by the Association while a contract is in progress.*
- *All communications with Association contractors are to go through the General Manager or a designated representative in accordance with policy.*
- *No Director is to harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.*
- *No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.*
- *Any Director convicted of a felony must voluntarily resign from his/her position.*
- *No Director is to knowingly misrepresent any facts to anyone involved in anything with the Association which would benefit himself/herself in any way.*
- *Language and decorum at Board meetings will be kept professional.*
- *Personal attacks against Owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the Association.*

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## **Conduct of Meetings**

**Meetings of the Owners.** *The meetings of the Owners of the Association are to be conducted in accordance with the provisions of the Bylaws and in conformity with the requirements of the Colorado Common Interest Ownership Act (the “Act”) applicable to the Association. Provisions in the Bylaws that do not confirm to the Act are not to be enforced.*

**Annual Meetings of Owners.** *Meetings of the Unit Owners, as the Members of the Association, are to be held at least once each year.*

**Special Meetings of Owners.** Special meetings of the unit owners may be called as allowed for in the bylaws or by the president, by a majority of the Board of Managers (also known and referred to as the “Board of Directors” or “Board”), or by written request of at least 15 Unit Owners.

**Notice of Owner Meetings.** Not less than 10 nor more than 60 days in advance of any meeting of the Unit Owners, the secretary is to cause notice to be emailed (or sent prepaid by United States mail if the Owner has not provided the Association with an email address) to the address of each Unit as designated in writing by the Unit Owner.

Written notice of each Owner’s meeting is to be posted in a conspicuous place in the principal office of the Association.

The Association is to also post notice on its website (if any) of all meetings. The notice is to be posted seven days or in a reasonable time prior to the member meeting.

**Member Voting at Member Meetings.**

Votes taken at a meeting of the Owners are to be taken in the method as determined by the Board of Managers or Chair of the meeting, including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

Secret ballots are required only for the election of Board members when requested by any Owner present. Where secret balloting is used, each Owner entitled to vote pursuant to the Bylaws, is to receive a ballot. Ballots are not to contain identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of the proxy to the Secretary of the Association or the Secretary’s designee, the Owner is to receive a secret ballot to cast the vote of the Owner who provided the proxy.

Written ballots are to be counted by a neutral third party, excluding the Association’s manager or legal counsel, or by an Owner or Owners who are not candidates or Board members. The Chair may specify the procedure for selecting these volunteers.

The individual(s) counting the ballots are to report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue or candidate.

**Proxies for/at Member Meetings.** Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

All proxies are to be reviewed by the Association’s Secretary or designee as to the following:

- Validity of the signature
- Signatory’s authority to sign for the Owner
- Authority of the Owner to vote

- *Conflicting proxies*
- *Expiration of the proxy*

*Proxies are to be kept and retained by the Association.*

**Policies or Conduct and Order at Member Meetings.** *All Owner meetings are governed by the following rules of conduct and order:*

- *The President of the Association or designee chairs all Owner meetings.*
- *All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See other sections regarding voting).*
- *Any person desiring to speak is to sign up on the list provided at check-in (if any) and indicate if he/she is for or against an agenda item.*
- *Anyone wishing to speak must first be recognized by the Chair.*
- *Only one person may speak at a time.*
- *Each person who speaks is to first state his or her name and their unit number of the Condominium in the Building.*
- *Any person who is represented at the meeting by another person, as indicated by a written instrument or an apparent agency, will be permitted to have that person speak for him/her.*
- *Those addressing the meeting are to be permitted to speak without interruption from anyone as long as these guidelines are followed.*
- *Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting.*
- *Comments are to be relevant to the purpose of the meeting.*
- *Each person is given up to a maximum of 3 minutes to make a statement or to ask questions on each topic.*
- *The Board may decide whether or not to answer questions during the meeting.*
- *Each person may only speak once on each topic.*
- *Yielding of time by a speaker to another individual is not permitted.*
- *Time limits may be increased or decreased by the Chair, but are to be uniform for all persons addressing the meeting.*
- *All actions and/or decisions require a motion and a second.*

- *Once a vote has been taken, there will be no further discussion regarding that topic.*
- *So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded.*
- *Minutes of actions taken are to be kept by the Association.*
- *Anyone disrupting the meeting, as determined by the Chair, may be asked to “come to order.”*
- *Anyone who does not come to order will be requested to immediately leave the meeting.*
- *The Chair may establish additional rules of order as may be necessary from time to time.*

**Board of Managers Meetings.** *Board of Managers meetings are to be conducted in accordance with the provisions of the Bylaws and in conformity with the Colorado Common Interest Ownership Act provisions applicable to the Association.*

**Owner Attendance at Board Meeting.** *All regular and special meetings of the Board must be open to attendance by all Members of the Association or any person designated by a Member in writing as the Member’s representative.*

**Agenda for Board Meetings.** *Agendas for meetings of the Board are to be made reasonably available for examination by all Members of the Association or their designated representatives. Agendas may be posted on a website.*

**Notice of Board Meetings.** *In addition, notice of any regular or special Board meeting must be sent at least 24 hours prior to the meeting by electronic mail to any Owner who so requests such notice and who furnishes the Association with an electronic mail address.*

**Policies on Conduct and Order at Board Meetings.**

- *The President of the Association, or designee, chairs all Board meetings.*
- *All persons who attend a meeting of the Board may be required to sign in, listing their Unit number in the Building.*
- *All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting.*
- *Any Owner wishing to speak during the Owner forum is requested to so indicate at the time of sign in.*
- *Anyone desiring to speak is to first be recognized by the Chair.*
- *Only one person may speak at a time.*

- *Each person speaking is to first state his or her name and the number of their unit in the Building.*
- *Any person who is represented at the meeting by another person as indicated by a written instrument or apparent agency is to be permitted to have that person speak for them.*
- *Those addressing the Board are to be permitted to speak without interruption from anyone as long as these guidelines are followed.*
- *Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting.*
- *Comments are to be relevant to the purpose of the meeting or issue at hand.*
- *Each person is given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date.*
- *Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on the issue.*
- *Yielding of time by a speaker to another individual is not permitted.*
- *The time limit may be increased or decreased by the Chair but is to be uniform for all persons addressing the meeting.*
- *No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes.*
- *Minutes of actions taken are to be kept by the Association.*
- *Anyone disrupting the meeting, as determined by the Chair, may be asked to “come to order.”*
- *Anyone who does not come to order may be requested to immediately leave the meeting.*

#### **Open Forum at Board Meetings.**

- *Members or their designated representatives attending a Board meeting are permitted to attend, listen and speak. Presentations of Owners are allowed during the agenda item “Owners Forum.”*
- *Owners or their designated representatives who are not Board members may not participate in any deliberations or discussions unless expressly so authorized by a vote of the majority of a quorum of the Board.*
- *The Board may place reasonable time restrictions on those persons speaking during the Owners Forum.*

- *The Board is to permit an Owner or Owner's designated representative to speak before the Board takes formal action on an item under discussion.*
- *The Board may provide for a reasonable number of persons to speak on each side of an issue, if numerous Owners and designated representative request to speak to a specific issue.*
- *The Chair may also announce the procedure for who are permitted to speak if not everyone desiring to speak will be permitted to speak.*
- *Following Owner input, the Chair will declare Owner input closed and no further Owner participation on the motion at hand is allowed, unless a majority of the Board of Managers votes to open the discussion to further Owner participation.*

### **Closed or Executive Sessions.**

- *The members of the Board or any committee thereof may hold an executive or closed-door session and may restrict attendance to Board or committee members and such other persons as the Board may invite.*
- *The only matters to be discussed during an executive session are those matters pertaining to: employment issues; consultation with legal counsel concerning disputes; investigative proceedings concerning possible or actual criminal misconduct; matters subject to specific non-disclosure restrictions; any matters the disclosure of which would constitute an unwarranted invasion of individual privacy; review or discussion related to any written or oral communication from legal counsel or as allowed by applicable law.*
- *Upon the final resolution of any matter for which the Board received legal advice, the Board may elect to preserve the attorney/client privilege in any appropriate manner, or it may elect to disclose information about such matter in an open meeting, as it deems appropriate.*

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## **Enforcement of Covenants and Rules**

### **Rule 27.**

*See Rule 27 entitled "Violations" of the Mountain Haus Condominium Association for additional policies and provisions on enforcement.*

### **Additional Means of Enforcement.**

*The Association may pursue the following additional means of enforcement (without a required notice to the Owner or person claimed to be in violation and without an opportunity for a hearing):*

- *Lawsuits by the Association for covenant and rule enforcement*



- *Recording of a notice of violation of the guidelines or other rule violation*
- *Suspension of the use of recreational facilities*
- *Self-help*
- *Towing or booting of improperly parked vehicles*
- *Enforcement through or by the Town - including the health department, building/zoning department, building/code enforcement department, police and/or sheriff, fire department and animal control department*
- *Any other enforcement means available to the Association through the Declaration, Bylaws, Articles of Incorporation and Colorado law*

*The fine schedule and enforcement process set forth in this policy have been adopted in addition to all of these other enforcement means.*

#### **Optional Mediation or Arbitration.**

*The parties to any dispute may, but are not required to, negotiate or mediate any dispute, as detailed in other parts of these Sound Governance Policies.*

#### **Reporting Violations to the Association.**

*Owners or residents within the building are encouraged to report alleged violations, if the reporting Owner or resident personally observed the alleged violation. Alleged violations are to be reported by submitting a written complaint to the Association's Manager, or if no Manager, then to the any member of the Board of Managers.*

*The complaint must identify by name and address the reporting Owner or resident ("complainant") and the alleged violator ("violation"), if known, and describe the alleged violation (reference the specific provisions which are alleged to have been violated, the date the violation was observed and any other pertinent information).*

*Board of Managers members, committee members, or the Association's Manager, if any, may report alleged violations to the Association's Manager, or if no Manager, then, to the Board of Managers by any appropriate means.*

#### **Investigation by the Association.**

*Upon receipt of a complaint by the Association, the complaint may be investigated further by the General Manager or a designated individual or committee. The General Manager has sole discretion in appointing an individual or committee to investigate the matter and in starting an investigation on any complaint received. If additional information is needed, the complaint may be returned to Complainant.*

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## ***Inspection and Copying of Association Records by Owners***

**Inspection/copying the Association records.** *An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements of state law and as set forth in this policy.*

- *The inspection and/or copying of the records of the Association are at the Owner's expense.*
- *The inspection and/or copying of the records of the Association is to be conducted during regular business hours at the business address of the Association's Manager*
- *The Owner is to give the Association's Manager a written demand at least 10 business days before the date on which the Owner wishes to inspect and/or copy such records or at the next meeting of the Board (if within 30 days of the request).*
- *The Owner must complete and sign the Request to Inspect Records prior to the inspection and copying of any the Association record. A copy of the form is attached and may be obtained from the Association. Failure to properly complete or sign a request will be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.*

### **Owner Access to Records.**

- *The records set forth in this policy and in state statutes, as amended from time to time, are to be made reasonably available for inspection and copying by a Member or the Member's authorized agent.*
- *"Reasonably available" means available during normal business hours after written request of at least 10 days or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request.*
- *The written request is to describe the records sought with reasonable particularity.*
- *The Board may require that requests be submitted on the form attached to this policy.*
- *Upon receipt of a request, the Association is to make an appointment with the Owner, at a time convenient to both parties (subject to the requirements above), to conduct the inspection.*
- *Unless otherwise agreed, all records are to be inspected at the management company's office.*
- *All appointments for inspection will be limited to business hours.*
- *At the discretion of the General Manager, records will be inspected only in the presence of a designated representative of the Association designated by the General Manager.*

- *During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means provided by the Association.*
- *Copies will be made at a cost based on the standard schedule of fees charged by the Association's management agent, which charges may include reasonable retrieval costs for off-site files.*
- *The Owner is responsible for paying the total copying cost prior for receiving the copies.*
- *Records may not be removed from the office in which they are inspected without the express written consent of the General Manager.*

### **Records Available.**

*The Association will maintain, retain and produce Association records in accordance with the procedures and requirements set forth in the Colorado Not-for-Profit Corporation Act, Colorado Common Ownership Interest Act and Association's governing documents, including the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, and this policy.*

- *All Association records must be maintained in a form that allows conversion into written form in a reasonable time.*
- *The following records will be maintained at the Association's principal office and are considered the sole records of the Association for purposes of document retention and production to owners:*
  - *Detailed records or receipts and expenditures affecting the operation and administration of the Association*
  - *Records of claims for construction defects and amounts received pursuant to settlement of those claims*
  - *Minutes of all meetings of the Owners and the Board, a record of all actions taken by the Owners and the Board without a meeting, and a record of all actions taken by any committee of the Board*
  - *Written communications among, and votes cast by the Board that are: (i) directly related to an action taken by the Board without a meeting pursuant to C.R.S. § 7-128-202; or (ii) directly related to an action taken by the Board without a meeting pursuant to the Association's bylaws*
  - *The names of Owners in a form that permits preparation of a list of names of all owners and the physical mailing addresses (not email addresses) at which the Association communicates with them, showing the number of votes each Owner is entitled to vote*
  - *The Association's current declaration, covenants, bylaws, articles of incorporation, rules and regulations, responsible governance policies*

*adopted pursuant to C.R.S. § 38-33.3-209.5, and other policies adopted by the Board*

- *Financial statements as described as in C.R.S. § 7-136-106 for the past three years and tax returns of the Association for the past seven years, to the extent available*
- *A list of the names, email addresses and physical mailing addresses of the current Board members and officers*
- *The Association's most recent annual report (if any) delivered to the Secretary of State*
- *Financial records sufficiently detailed to enable the Association to comply with C.R.S. § 38-33.3-316(8) concerning statements of unpaid assessments, to be sent by certified mail, return receipt requested to the Association, so they are received by the requesting party within fourteen days of the Association's receipt of request*
- *The Association's most current reserve study (if any)*
- *Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years*
- *Records of Board or Committee actions to approve or deny any requests for design or architectural approval from owners*
- *Ballots, proxies and other records related to voting by Owners for one year after the election, action or vote to which they relate*
- *Resolutions adopted by its Board relating to the characteristics, qualifications, limitations, and obligations of members of any class or category of members*
- *All written communications within the past three years to all Owners generally as Owners*

*The following additional information as required by C.R.S. 38-33.3-209.4 (as part of the Association's annual disclosures):*

- *the date on which the fiscal year commences*
- *the operating budget for the current fiscal year*
- *a list, by type, of the Association's current assessments (regular and special)*
- *the annual financial statements, including any amounts held in reserve, for the fiscal year immediately preceding the current annual disclosure*

- *the results of the most recent available financial audit or review, if any*
- *a list of all Association insurance policies, including company names, policy limits, policy deductibles, additional named insureds, and expiration dates*

*The above records are the sole records of the Association available for inspection. If the Association stores other types of documentation, or stores documentation for a longer time period than may be required above, such documents are not considered records of the Association available for inspection and copying.*

**Records that May be Withheld.** *Records maintained by the Association may be withheld from inspection and copying to the extent that they are or concern:*

- *Architectural drawings, plans, and designs, unless released upon the written consent of the legal owners of the drawings, plans, or designs*
- *Contracts, leases, bids or records related to transactions to purchase or provide goods or services that are currently in or under negotiation*
- *Communications with legal counsel that are otherwise protected by attorney-client privilege or the attorney work product doctrine*
- *Disclosure of information in violation of law*
- *Records of an executive session of the Board*
- *Records relating to or concerning individual Units other than those of the requesting Owner.*

**Records that Must be Withheld.** *Records maintained by the Association are not subject to inspection and copying, and must be withheld, to the extent that they are or concern:*

- *Personnel, salary, or medical records relating to specific individuals*
- *Personal identification and account information of Owners, including bank account information, telephone numbers, email addresses, driver's license numbers, and social security numbers.*
- *If an Owner or resident has provided the Association with his or her express written consent to disclose his or her email address or phone number, the Association may publish that information to other Owners or residents. If the Owner or resident revokes his or her consent in writing, the Association is to cease making available for inspection the Owner's or resident's email address or phone number after the receipt of such revocation, but the Association need not change, retrieve or destroy any document or record published by the Association prior to the Association's receipt of such revocation.*

**Proper purpose/limitation.** *The Association records may not be used by any Owner for:*

- *Any purpose unrelated to an Owner's interest as an Owner;*
- *The purpose of soliciting 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;*
- *Any commercial purpose; or*
- *For the purpose of giving, selling, or distributing such the Association records to any person.*

**Membership List Restrictions.** *The membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner without the consent of the General Manager, subject to review by the Board of Managers. Without limiting the generality of the foregoing, without the aforementioned consent, a membership list or any part thereof may not be:*

- *Used to solicit money or property unless such money or property will be used solely to solicit the votes of Owners in an election to be held by the Association*
- *Used for any commercial purpose*
- *Sold to or purchased by any person.*

**Costs.** *The Association will impose a reasonable charge, which may be collected in advance and will cover costs of labor and material, for copies of Association records. The charge may not exceed the estimated cost of production and reproduction of the records.*

*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 of an owner.*

**Creation of Records.** *The Association is not obligated to compile or synthesize information.*

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### **Policy Regarding Reserve Studies**

*The Association is not required under the governing documents to have a reserve study or capital plan. The Association has determined to establish policies on its capital plan and reserve study as follows:*

- *The Association currently has a capital plan or reserve study for the maintenance, repair and replacement of the Association's common elements.*
- *The Manager or the Board of Managers may cause the capital plan to be reviewed*

*and updated periodically, to adjust and make changes in costs, inflation, and interest yield on invested funds, plus modification, addition or deletion of components.*

- *The capital plan or reserve study is preferred to be performed by a professional reserve specialist or by the Association's General Manager.*
- *The capital plan is preferred to be based on a physical examination by the person preparing it, but may be performed without a physical examination.*
- *Funding for reserves for replacement under the plan is not currently funded. Funding of the capital plan is currently based on special assessments.*
- *Funding in the future may be based on a financial analysis performed by a professional reserve specialist or the Association's General Manager, or may be performed without a financial analysis.*
- *Funding for replacement in the future may be based on any one or more of the following: (1) special assessments of Owners, (2) cash then on hand, including the operation and any reserve funds, (3) annual assessments of Owners, (4) a loan as may be obtained by the Association, (5) any available grants, and/ or (6) any combination of the above.*

*Should the Board of Managers determine in the future that a Reserve Fund is necessary; the Board may establish such Reserve Fund and prepare a Reserve Fund policy for the portions of the building maintained, repaired, replaced, and improved by the Association.*

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### ***Investment of Reserve Funds***

- *The Association has no reserve fund.*
- *The Association finances capital improvements or other unbudgeted expenses by special assessment or means as it determines.*
- *It is the policy of the Association that Reserve Funds, if any, will be invested in such a manner as to generate an adequate yield with an adequate security in the Board's reasonable opinion.*

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### ***Procedures for the Adoption and Amendment of Policies, Procedures and Rules***

- *The Board of Managers may adopt policies, procedures and Rules by resolution at any meeting of the Board of Managers or by unanimous written consent of the Board of Managers in lieu of a special meeting in accordance with the requirements of the Bylaws.*
- *This may be as the Board determines is advisable or necessary to facilitate the efficient*

*operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law.*

- *The Board periodically reviews the Association's policies, procedures, and its rules and regulations.*
- *Prior to or upon the effective, the Board is to provide written notice to the Owners.*



## ***Procedures for Resolution of Disputes between the Association and its Members***

*Any and all disputes that an Owner/Member has with the Association that do not involve an imminent threat to the peace, health, or safety of the building are to be resolved in accordance with the following policies and procedures. This policy is only on disputes or claims of Owners with the Association.*

*If the Association has a dispute or claim with an Owner, Member, or any occupant, the terms and procedures of this policy do not apply.*

- **Meeting with Board.**

*In the event of any dispute of an Owner with the Association it is the intention of the Association to resolve the dispute informally and without the need for litigation.*

*The Owner must notify the Association in writing of the claim, stating (i) the nature of the claim, including the date, time, location, persons involved, (ii) the basis of the claim (i.e. the provisions of the Declaration, the Bylaws, the Articles, Rules or Regulations or other authority out of which the claim arises); (iii) what the claimant wants the Association to do or not do to resolve the claim; and (iv) that claimant wishes to resolve the claim by mutual agreement and is willing to meet in person with the General Manager or a designated representative of the Association at a mutually agreeable time and place to discuss in good faith ways to resolve the claim. The parties must make every reasonable effort to meet either in person or by conference call to resolve the claim by good faith negotiation.*

- **Mediation.**

*If a meeting is unsuccessful or does not occur, all claims or disputes of an Owner with the Association must be initially submitted to mediation in good faith. The parties are to jointly appoint a mediator and will share equally in the cost of mediation. If a party does not respond within 10 days of receipt of a request to mediate or if the parties cannot agree on a mediator within 10 days of the request, the mediation requirement must be deemed fulfilled. If mediation does occur, it must be completed within 60 days from the date of request. If mediation is unsuccessful or does not occur, the Owner may pursue their claims via the appropriate court or submit the dispute to binding arbitration.*

- **Binding Arbitration.**



*If the claims or disputes of an Owner with the Association cannot be resolved by mediation of otherwise within 60 days of the request for mediation, alternative dispute resolution (ADR) in the form of Binding Arbitration may be pursued if both the Owner and the Association agree. This policy allows for an agreement of the Association and Owners to mediate and/or arbitrate all claims under the applicable arbitration law of the State of Colorado. The arbitration is final and binding and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.*

- **Costs.**

*If the claims are resolved through negotiation as provided above, each party is to bear all of its own costs incurred in resolving the claim, including its attorney fees, unless the parties otherwise agree. If the claims are not resolved through negotiation and the claim goes to arbitration, the prevailing party is to receive as a part of its award from the opposing party all of its costs, including attorney fees, and any expenses incurred as a result of the dispute resolution procedures of this policy.*

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**Exhibit A**  
**of the Sound Governance Policies:**  
**Request to Inspect Records**

*This written request is pursuant to the Policy on Records Inspection of the Mountain Haus Condominium Association.*

To: \_\_\_\_\_  
c/o \_\_\_\_\_ (Management)

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Date of this Request: \_\_\_\_\_, 20\_\_\_\_

Date you or your agent intends to inspect the records (Must be at least 10 days after date of request): \_\_\_\_\_, 20\_\_\_\_

Person(s) requesting Inspection of the Association's records:

\_\_\_\_\_  
\_\_\_\_\_.

Person(s) who will be present for the review of the Association's records: \_\_\_\_\_  
\_\_\_\_\_.

*Please note that all actual costs of inspection and any authorized copies must be paid in advance by the person requesting them.*

*Specify with particularity the records requested for Inspection. Please include type and date(s) of record, indication of those records for which you request a copy, and any specifics that will identify the information you seek to review. If necessary, use additional sheets.*

<u>Record</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____
_____	_____

Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
Authorized by: \_\_\_\_\_