

**Parkwood Gardens Condominium Association, Inc.  
Policies**

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## **Parkwood Gardens Condominium Association, Inc. Collection of Unpaid Assessments Policy**

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To comply with the requirements of Senate Bill 100 (SB100) the Association has established a Collection of Unpaid Assessments Policy. The policy implemented is allowed by and in accordance with SB100. The policy ensures that each homeowner understands the basis for the Homeowners Association's collection decisions. Amounts payable to the Association include but are not limited to regular assessments, special assessments, rules enforcement fees, repairs to the common area that are a Homeowner's responsibility (which may result from the acts of owners, their tenants or guests), legal fees and other costs associated with the collection of funds on behalf of the Association. For purposes of this policy, the term "Assessments" will be inclusive of the amounts payable to the Association. This policy was developed so that the best interests of the Association at large are served.

**WHEREAS**, the board wishes to collect the Association assessment in a fair and impartial manner;

**WHEREAS**, the board wishes to adopt collection requirements for directors in order to assure sound management of the Association as its economic well-being relies on the timely payment of Assessments and other allowable charges;

**NOW, THEREFORE, BE IT RESOLVED THAT** the following shall apply:

**Section 1. Assessments are due on monthly basis. They are late on the 15<sup>th</sup> as specified in the Association's governing documents and as directed by the Board of Directors. If payment is not made by the due date, a statement indicating the late assessment as specified by the Board of Directors, will be sent to the official address of record for the property. If the assessments are not paid the following steps will be taken. Payments are applied to the oldest charge first.**

- A. **45 Days – Statement** - An additional "reminder statement" will be sent by the Association's Accountant to collect the funds
- B. **75 Days – 10-Day Letter** - If payment or payment arrangements have not been made, the Association's Accountant will send a 10-Day letter requiring payment or the outstanding balance will be turned over to the Association's attorney for collection.
- C. **90 Days – Demand Letter** - If payment or payment arrangements have not been made, the Association's attorney will send a Demand Letter or Notice to File a Lien on the property. The Homeowner will have thirty (30) days in which to pay the delinquency or to make payment arrangements.
- D. **120 Days – Lien** - If payment or payment arrangements have not been made, a lien will be filed on the property.

**E. Additional Legal Action** - At the Board's discretion, if payment or payment arrangements have not been made, then additional legal action may be taken including the garnishment of wages and/or foreclosure of the property to protect the Association's interests. Delinquent Homeowners are always responsible for all costs of collection including attorney fees and other costs incurred by the Association in collecting any past due assessments.

**Section 2. *Non-Sufficient Check Charges will be made. A Non-Sufficient Funds charge in the amount of \$30.00 per item will apply to any check returned by the bank. This fee may be increased if bank charges increase.***

**Section 3. *If the Association does not take any of the specified steps in the collection process, it will not be considered a waiver or release of a Homeowner's requirement to pay the Association nor of the Association's right to collect.***

***Approved by the Board of Directors and Effective January 1, 2006***

# Parkwood Gardens Condominium Association, Inc.

## Conflict of Interest Policy

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To comply with the requirements of Senate Bill 100 (SB100) the Association has established a Conflict of Interest Policy. The policy implemented is allowed by and in accordance with SB100. The policy defines what the Association defines as a "conflict of interest" and how such a situation will be handled. This policy was developed so the best interests of the Association at large are served.

**WHEREAS**, the board wishes to avoid self-dealing, actual or apparent, in its administration of the association; and

**WHEREAS**, the board wishes to adopt requirements for Directors in order to assure sound management of the association;

**NOW, THEREFORE, BE IT RESOLVED THAT** the following shall apply:

**Section 1. *Requirements of All Directors.***

- A. All Directors shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to, the Association and owners. All Directors shall comply with all lawful provisions of the Association's protective Covenants, Articles, Bylaws, Rules, and Regulations.
- B. Any duality of interest or possible conflict of interest on the part of any Directors shall be disclosed to the other Directors at the first meeting of the Board of Directors at which the interested Director is present after the conflict of interest is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the board meeting at which the disclosure of the conflict of interest is made. A Board member with a conflict of interest must declare the conflict in an open meeting, before discussion of the issue.
- C. Any contract or transaction between the association and a Director must be commercially reasonable to the Association at the time it is authorized, ratified, approved, or executed.

**Section 2. *Directors During the Period of Declarant Control.***

In recognition of their obligation to lenders and unit owners to complete the project as planned, the developer or his or her appointees to the board may be counted in determining the presence of a quorum of any meeting of the board of Directors or committee thereof which authorizes, approves, or ratifies any contract or transaction, and may vote to authorize any contract or transaction with like force and effect as if he or she were not such Director or Officer of such other corporation, or not so interested. During the period of developer control, no contract or other transaction between the association and one or more of its Directors, or between the Association and any corporation, firm, or

Association (including the developer or any subsidiary or affiliate of the developer) in which one or more of its Directors of the association are Directors or officers or have a pecuniary interest, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or her or their votes are counted for such purpose, if the conditions specified above are met.

**Section 3. *Directors After the Period of Declarant Control.***

In addition to all the requirements of Section 1 above, the homeowners-elected Directors shall be subject to the following requirements:

- A. Any homeowner-elected Director having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter, and he or she shall not be counted in determining the quorum for the meeting. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.
- B. For purposes of this policy, a Director shall be deemed to be so interested if he or she is a principal, officer, or employee or has a financial interest exceeding two hundred dollars (\$200.00) in the firm. In addition, if the Board member has a parent, grandparent, spouse, child, sibling; or, is the parent of one of the persons involved where a contract, decision, or other action being considered would financially benefit the Board member there is a conflict of interest.
- C. The foregoing requirements shall not be construed as preventing the Director from briefly stating his or her position in the matter, nor from answering pertinent questions of other board members, since his or her knowledge may be of great assistance.
- D. Any new member of the board will be advised of this policy upon entering on the duties of his office.

***Approved by the Board of Directors and Effective January 1, 2006***

## **Parkwood Gardens Condominium Association, Inc. Conduct of Meetings Policy**

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To comply with the requirements of Senate Bill 100 (SB100) the Association has established a Conduct of Meetings Policy. The policy implemented is allowed by and in accordance with SB100. The policy ensures that each Homeowner understands the basis for the manner in which the Homeowners Association's conducts its official meetings. This policy was developed so the best interests of the Association at large are served.

**WHEREAS**, the board wishes to conduct their meetings in a fair and impartial manner;

**WHEREAS**, the board wishes to adopt requirements for directors and Homeowners to ensure the Association's meetings are consistently conducted in a business-like manner;

**WHEREAS**, the board wishes to ensure that Homeowners have the right to be heard;

**NOW, THEREFORE, BE IT RESOLVED THAT** the following shall apply:

**Section 1.** *The Board will always operate from an official pre-set agenda. Copies of the Agenda are provided for any Homeowners (or their designated representatives appointed in writing) that wish to attend.*

**Section 2.** *All Homeowners have the opportunity for input at the beginning of the meeting on any new topic of interest to them. During the meeting, a Homeowner may be invited to participate if authorized to do so by a vote of a majority of a quorum of the Board. The Board must vote to allow the Homeowner to comment prior to the Board taking formal action on an item.*

**Section 3.** *Delinquencies are only provided to the Board of Directors and are not discussed by name or address to protect the privacy of each Homeowner.*

**Section 4.** *There are five areas that may require Adjournment into an Executive Session as required by the Colorado Common Interest Ownerships Act (CCIOA). They are as quoted as follows directly form 38-33.3-308 in regard to Meetings:*

- A. Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent or employee of the Association;*
- B. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;*
- C. Investigative proceedings concerning possible or actual criminal misconduct;*

- D. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;**
- E. Any matter the disclosure of which would constitute an unwanted invasion of individual privacy.**

***If Adjournment into an Executive Session or Closed Session is required, any Homeowners will be asked to temporarily vacate the meeting for this discussion. An Executive Session does not occur frequently and will be done in such a manner that will be as convenient as possible for any Homeowners attending. Often, an Executive Session will occur just prior to the conclusion of the meeting.***

***Section 5. The Association will utilize Roberts Rules of Order in order to conduct an orderly meeting. Action items will require a motion and a second. After a motion has been seconded there will be an opportunity for discussion. After discussion takes place a vote will take place with those in favor, opposed and any abstentions noted.***

***Section 6. The Board of Directors and all Homeowners are asked to comply with the Community Association Code of Conduct in terms of their actions and behaviors. A copy of the Community Association Institute's Rights and Responsibilities for Better Communities is attached to this policy. If a meeting is not proceeding in an appropriate manner the presiding officer and/or manager may adjourn the meeting to another time and place. All are asked to behave in an appropriate manner***

***Approved by the Board of Directors and Effective January 1, 2006***

# Rights and Responsibilities for Better Communities

## *Principles for Homeowners and Community Leaders*

### **Homeowners Have the Right To:**

1. A responsive and competent community association.
2. Honest, fair and respectful treatment by community leaders and managers.
3. Participate in governing the community association by attending meetings, serving on committees and standing for election.
4. Access appropriate association books and records.
5. Prudent expenditure of fees and other assessments.
6. Live in a community where the property is maintained according to established standards.
7. Fair treatment regarding financial and other association obligations, including the opportunity to discuss payment plans and options with the association before foreclosure is initiated.
8. Receive all documents that address rules and regulations governing the community association— if not prior to purchase and settlement by a real estate agent or attorney, then upon joining the community.
9. Appeal to appropriate community leaders those decisions affecting non-routine financial responsibilities or property rights.

### **Homeowners Have the Responsibility To:**

1. Read and comply with the governing documents of the community.
2. Maintain their property according to established standards.
3. Treat association leaders honestly and with respect.
4. Vote in community elections and on other issues.
5. Pay association assessments and charges on time.
6. Contact association leaders or managers, if necessary, to discuss financial obligations and alternative payment arrangements.
7. Request reconsideration of material decisions that personally affect them.
8. Provide current contact information to association leaders or managers to help ensure they receive information from the community.
9. Ensure that those who reside on their property (e.g., tenants, relatives, friends) adhere to all rules and regulations.

### **Community Leaders Have the Right To:**

1. Expect owners and non-owner residents to meet their financial obligations to the community.
2. Expect residents to know and comply with the rules and regulations of the community and to stay informed by reading materials provided by the association.
3. Respectful and honest treatment from residents.
4. Conduct meetings in a positive and constructive atmosphere.
5. Receive support and constructive input from owners and non-owner residents.

6. Personal privacy at home and during leisure time in the community.
7. Take advantage of educational opportunities (e.g., publications, training workshops) that are directly related to their responsibilities, and as approved by the association.

### **Community Leaders Have the Responsibility To:**

1. Fulfill their fiduciary duties to the community and exercise discretion in a manner they reasonably believe to be in the best interests of the community.
2. Exercise sound business judgment and follow established management practices.
3. Balance the needs and obligations of the community as a whole with those of individual homeowners and residents.
4. Understand the association's governing documents and become educated with respect to applicable state and local laws, and to manage the community association accordingly.
5. Establish committees or use other methods to obtain input from owners and non-owner residents.
6. Conduct open, fair and well-publicized elections.
7. Welcome and educate new members of the community— owners and non-owner residents alike.
8. Encourage input from residents on issues affecting them personally and the community as a whole.
9. Encourage events that foster neighborliness and a sense of community.
10. Conduct business in a transparent manner when feasible and appropriate.
11. Allow homeowners access to appropriate community records, when requested.
12. Collect all monies due from owners and non-owner residents.
13. Devise appropriate and reasonable arrangements, when needed and as feasible, to facilitate the ability of individual homeowners to meet their financial obligations to the community.
14. Provide a process residents can use to appeal decisions affecting their non-routine financial responsibilities or property rights— where permitted by law and the association's governing documents.
15. Initiate foreclosure proceedings only as a measure of last resort.
16. Make covenants, conditions and restrictions as understandable as possible, adding clarifying "lay" language or supplementary materials when drafting or revising the documents.
17. Provide complete and timely disclosure of personal and financial conflicts of interest related to the actions of community leaders, e.g., officers, the board and committees. (Community associations may want to develop a code of ethics.)



# PARKWOOD GARDENS CONDOMINIUM ASSOCIATION COVENANT VIOLATION FINE POLICY

## Preliminary Statement

To enforce compliance with the Association's Condominium Declaration, Bylaws and Rules & Regulations, the Board of Directors with homeowner input has instituted a monetary fining procedure. The procedure implemented is allowed by, and in accordance, with the Colorado Common Interest Ownership Act (CCIOA). The procedure insures that any fines are levied in a fair manner, and that violators will be provided the opportunity for due process as stipulated by CCIOA.

*Note: It is not the intent of this policy to serve as a revenue source for the Association: Our Homeowners have voiced concerns about violations and asked that the Board be resolute in enforcing the covenants and in resolving violations. This policy was developed so the best interests of the Association at large are served.*

## Notice of Violation ("Notice")

1. Any homeowner within the subdivision may note a violation and report it in writing to the Homeowners' Association Board:  
C/o Touchstone Property Mgmt  
2850 McCelland Drive, Ste 1000  
Fort Collins, CO 80525  
(Violations may be reported confidentially).
2. The Board will verify the violation and instruct Management to take further action and issue a Notice.

3. The Notice will be sent via US Mail postage pre-paid, addressed to the last registered address of the Owner and/or Lessee as listed in The Association's records. The Notice will describe the nature of the violation and state that the Association may seek to protect its rights as they are specified in the governing documents. The Notice will be considered effective three days after it is deposited in the mail.
4. The Owner receiving the Notice then has the amount of time specified in the Notice to correct the violation.
5. If the violation is not corrected within the specified time, a fine is levied starting on the first day after the time period for correcting the violation expires, subject to the Request for Conflict Resolution provisions below.

## Fines

For routine violations, the Owner is fined as follows:

1 <sup>st</sup> Offense	Warning
2 <sup>nd</sup> Offense	\$50.00
3 <sup>rd</sup> Offense	\$100.00
4 <sup>th</sup> Offense	\$150.00

In addition to the routine fines for one-time offenses, the Board reserves the right to take other action as needed to promote compliance with the governing documents. For ongoing and continuing problems, the Board can decide to charge

a daily fine to promote compliance of \$20.00 per day, or such other amount as the Board determines to be reasonable, until the Owner has corrected the violation. The Owner is responsible for notifying the Association in writing when and if the violation has been corrected. The daily fine shall start at the stated rate until the Owner gives written Notice regardless of when the violation was corrected. Following commencement of the daily fine, the Association shall make a good faith effort to resolve the violation with the Owner. If, despite the Association's effort to reach a resolution, the violation has not been corrected within 120 days after commencement of the daily fine, the Association shall commence the necessary legal proceedings under the Association Documents or under law to compel correction of the violation as well as to recover any unpaid fines, court costs, attorney's fees and other Association expenses arising from the violation. Nothing in the foregoing language shall preclude the Association from commencing legal proceedings to correct the violation prior to the expiration of the 120 day period.

Routine violations include situations such as (but not limited to):

- Improper storage of personal property (i.e. boats, RVs, trailers etc.)
- General Property Maintenance Issues
- Pets (at large, waste, noise, etc.)
- Noise and Nuisance
- Architectural Control Violations

In addition to the daily fines, the Board reserves the right to assess substantial one-time fines as needed necessary to promote compliance with the Association Documents.

The assessed fines are billed to the Owner by U.S. Mail, and are legally collectible as assessments (for example, a lien may be filed).

### **Request for Conflict Resolution**

Any owner, who believes the Notice was sent in error, or who feels there are mitigating circumstances, has the right to request a hearing before the Resolution Committee. To request a hearing, the Owners must contact the Property Management Company within ten days of the Notice. The Management Company will contact the Resolution Committee (RC) and set a date for the hearing convenient for the involved parties. If the hearing for whatever reason, cannot be held prior to the date when the fine is otherwise scheduled to commence, the date the fine begins shall be extended to the day following the hearing.

The RC is made up of Board members at this time. At a future date, the Board may decide to appoint other interested Homeowners as RC members with a Board Member as a liaison. The Board and the RC will decide if any potential conflict of interest might exist on a case-by-case basis.

The purpose of the hearing is three-fold:

1. To determine if a mistake was made in issuing the Notice.
2. To determine if there are mitigating circumstances.
3. To make arrangements for bringing the violation into compliance over a prolonged time if it seems warranted.

The Resolution Process will not and cannot be used to determine the

desirability of a particular provision of the governing documents.

The general procedure for a Resolution Hearing is as follows:

1. The Presiding member of the RC will:
  - Establish a quorum
  - Explain the rules, procedures and guidelines for conducting the process.
  - Describe the nature of the violation as specified in the Notice.
2. The Owner may then provide rebuttal to the Notice using witnesses or any other salient information deemed relevant and necessary.
3. After all testimony and other evidence have been presented, the RC shall decide whether or not the Notice was justified, or whether there are any mitigating circumstances. If the RC finds the Notice was justified, a fine shall then be assessed or mutually agreeable arrangements made with the Owners to ensure compliance in the future. If the RC finds the Notice was not justified, no fine shall be assessed.

#### **Repeat Violations**

A "repeat violation" is a violation committed by an Owner which is the same as the original violation committed by that Owner, and which occurs within eighteen months after the original violation. A repeat violation is considered a continuation

of the original violation, and thus an Owner committing repeat violation is not entitled to the same Notice and hearing procedures set forth above. For repeat violations, the fine will be double the fine assessed for the original violation and, notwithstanding the Notice provisions above, will commence on the effective date of the Notice. An Owner committing a repeat violation shall have no right to a hearing on such violation before the Board.

#### **Fines Not Exclusive Remedy**

Fines levied under this fine policy are not the Association's exclusive remedy for addressing a violation. Nothing in this fine policy precludes the Association from pursuing any other remedy provided under the Association Documents or under law for correcting the violation.

*Approved by the Board effective November 1, 2002.*

## **Parkwood Gardens Homeowners Association, Inc. Association Inspection and Copying Policy**

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To comply with the requirements of Senate Bill 100 (SB100) the Association has established an Inspection and Copying Policy. The policy implemented is allowed by and in accordance with SB 100 and SB 89. The policy ensures that each homeowner will have access to their Association's records in a fair and consistent manner. This policy was developed so the best interests of the Association at large are served.

**WHEREAS**, the board wishes to allow open access according to their governing documents in a fair and consistent manner;

**WHEREAS**, the board wishes to adopt requirements for directors and Homeowners to ensure that confidential records are kept in an appropriate manner;

**WHEREAS**, the board wants to ensure that access to the records is only allowed for authorized Homeowners using these records for an authorized purpose;

**NOW, THEREFORE, BE IT RESOLVED THAT** the following shall apply:

If a Homeowner would like to access the Association's records they are able to register on-line at [www.touchstone-property.com](http://www.touchstone-property.com) for their respective association. Each Homeowner must complete the registration form and have their official "ownership of record" verified. Then, they are allowed access to the records that includes the following:

- ❖ Governing Documents including Articles of Incorporation, Declaration of Covenants, Bylaws, any Rules and Regulations, Party Wall Agreements, if applicable
- ❖ Financials including current Budget
- ❖ Balance Sheet
- ❖ Annual Meeting Minutes – Approved for past year and Draft for the current year
- ❖ Board of Directors' Minutes – Approved within the past six months (Does not include any Executive Session minutes which continues to be privileged information)
- ❖ Calendar for upcoming events
- ❖ Announcement Section
- ❖ Private Section – for Board member information (This section is excluded unless the Homeowner is a Board member.)

If a Homeowner would like to come into the office to view the actual records, they are asked to make an appointment at least five business days in advance during regular business hours with the Community Association Manager and/or the Association Accountant. They will be asked to complete the attached Acknowledgement and Certification Form. If they require additional work to be done, a deposit will be required prior to the start of the work as specified in the Acknowledgement form.

*Approved by the Board of Directors and Effective January 1, 2006*



Acknowledgement and Certification

I, \_\_\_\_\_, have requested that the \_\_\_\_\_ Homeowners' Association release certain information, documents and records, from the Association's files located at Brass Key Property Management LLC to \_\_\_\_\_. Such records may include the names and addresses of members of the Association, or other documents associated with my fellow homeowners.

In making this request, I hereby affirm, certify and represent as follows:

- (a) The information and materials I obtain will not be used for any improper purpose;
- (b) I will not sell, convey, exchange or otherwise provide the information I obtain to salespersons, bulk mailing companies, or any other commercial soliciting business or any other inappropriate business;
- (c) I understand that I am responsible for the reasonable research and duplication charges associated with my request, including \$45.00 per hour for research and document retrieval, as well as 20 cents per page for ordinary 8 1/2 X 11 one-sided photocopies. I agree to pay for oversized or color photocopies at the same cost incurred by Brass Key Property Management LLC to obtain such duplications;
- (d) I agree that I am not entitled to, and will not be provided with, materials protected by the attorney-client or work-product privileges, or which might be otherwise exempt from disclosure under law.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2006.

AGREED, ACKNOWLEDGED, AND CERTIFIED BY:

\_\_\_\_\_  
(Name of Homeowner Requesting Information)

WITNESSETH:

\_\_\_\_\_  
(Representative of Brass Key Property Management LLC)

YOUR KEY TO QUALITY PROPERTY MANAGEMENT

115 Riverside Avenue, Ft. Collins, CO 80524  
OFFICE (970) 224-9134 FAX (970) 224-5347  
EMAIL: brasskey@brasskey.biz



## **Parkwood Gardens Condominium Association, Inc. Investment of Reserve Funds Policy**

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To comply with the requirements of Senate Bill 100 (SB100) the Association has established an Investment of Reserve Funds Policy. The policy implemented is allowed by and in accordance with SB100. The policy ensures that each homeowner understands the basis for the Homeowners Association's investment decisions. This policy was developed so the best interests of the Association at large are served.

**WHEREAS**, the board wishes to adopt requirements so that all Homeowners are aware of how the Association's funds are invested;

**WHEREAS**, the board wants to ensure the funds are kept in a most reasonable and prudent manner in keeping with the "Prudent Man" rule;

**NOW, THEREFORE, BE IT RESOLVED THAT** the following shall apply:

The Board of Directors will never invest in any financial product that could jeopardize the principle amount of the Association's funds. The Association will invest in federally insured banks that are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC is an independent agency created by Congress in 1933. It supervises banks, insures deposits up to \$100,000 or other amount as specified by governmental regulation and helps maintain a stable and sound banking system. The Association's Funds must be invested for the benefit of all and held in the most financially secure manner possible. The risks that an individual may decide to personally take cannot be taken with the Association's reserve funds.

Some of the types of financial products the Association may invest in include Certificates of Deposit, First Investor's Choice Account and Guaranteed High Interest Plans. The Reserve accounts always require two signatures. This includes Kathy Louderback as Managing Agent and one Board Member or Two Board Members signing on behalf of the Association.

*Approved by the Board of Directors and Effective January 1, 2006*

**Parkwood Gardens Condominium Association, Inc.**  
**Policy Procedure for Developing Policies, Procedures and Rules**

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To comply with the requirements of Senate Bill 100 (SB100) the Association has established a Policy Procedure for Developing Policies, Procedures and Rules. The policy implemented is allowed by and in accordance with SB100. The policy ensures that each Homeowner understands the basis for the Homeowners Association's Development of Policies, Procedures and Rules. This policy was developed so the best interests of the Association at large are served.

**WHEREAS**, the Board of Directors is empowered to make and enforce policies, procedures and rules regarding the Association pursuant to its governing documents;

**WHEREAS**, there is a need to establish procedures for the development of Association policies, procedures and rules;

**WHEREAS**, it is the intent that this policy resolution shall be applicable to all persons who seek to create or revise policies, procedures or rules for the Association until this Policy is rescinded, modified, or amended by a majority of the Board of Directors;

**WHEREAS**, the Board of Directors wishes to enact a procedure to develop policies, procedures and rules in a fair and impartial manner;

**WHEREAS**, the Board of Directors wishes to ensure that all Homeowners in the Association are aware of how these policies, procedures and rules are developed for the Association;

**NOW, THEREFORE, BE IT RESOLVED THAT** the following shall apply regarding the development of policies, procedures and rules:

When it is determined that there may be a need for a policy, procedure or rule, the Board of Directors shall have the sole power to adopt and amend the policies, procedures and rules of the Association.

Except as otherwise required by the Association's governing documents, the Board of Directors shall mail a copy of all policies, procedures and rules that are adopted or amended by the Board of Directors to the Homeowners. Other methods of notification include sending a copy of the policy, procedure and rule with a newsletter, by a separate mailing or with an Annual Meeting Notice.

The Board of Directors may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

The Board of Directors may change this Policy Procedure from time to time with notice to the Homeowners.

*Approved by the Board of Directors and Effective August 5, 2009*



## **Parkwood Gardens Condominium Association, Inc. Alternative Dispute Resolution Policy**

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To comply with the requirements of Senate Bill 89 (SB89) the Association has established an Alternative Dispute Resolution Policy. The Policy implemented is allowed by and in accordance with SB100 and SB89. The Policy ensures that each Homeowner understands the Association's Alternative Dispute Resolution Policy. This Policy was developed so the best interests of the Association at large are served.

**WHEREAS**, the Association is required to develop and adopt a written Policy concerning how disputes between the Homeowners and the Association are handled.

**WHEREAS**, the Association encourages a Homeowner to meet with the Board of Directors to resolve any dispute informally and without the need for formal Alternative Dispute Resolution or litigation. If the Homeowners requests a meeting with the Board of Directors, the Board shall make a reasonable effort to comply with the Homeowner's request. The informal resolution of any dispute is the Association's and the Board's preferred choice.

**WHEREAS**, if requested, it is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and a Homeowner versus using litigation.

**WHEREAS**, Alternative Dispute Resolution (ADR) is defined as a procedure for settling a dispute by means other than litigation, such as mediation, non-binding arbitration or binding arbitration.

**WHEREAS**, ADR in the form of mediation, non-binding arbitration or binding arbitration may be pursued by the Association before any lawsuit is filed, except in the case of the collection of assessments, or the enforcement of covenants, bylaws, or rules and regulations of the Association subject to the following constraints.

- (a) ADR shall not be used if time restrictions prevent accomplishing ADR.
- (b) The Association will not pursue ADR if the Homeowner refuses to participate in the process.
- (c) At the time the parties agree to use ADR, the parties shall also agree on the form of ADR to be used. If the parties cannot agree on the form of ADR to be used, ADR shall be in the form of mediation.
- (d) Any ADR pursued must be done using a trained mediator, arbitrator or facilitator having some familiarity with the governance of Community Associations.
- (e) Any ADR must be conducted in compliance with the Uniform Arbitration Act and/or the Dispute Resolution Act, as applicable.
- (f) If ADR is to be pursued, the Homeowner shall execute an agreement with the Association prior to the commencement of the ADR process that tolls the applicable statute of limitations while the parties are attempting to resolve the dispute thru ADR.

**WHEREAS**, if the parties to the ADR cannot agree within thirty days of the request for ADR, on a mediator, arbitrator, facilitator, or other qualified person to conduct the ADR, then within thirty days,

- (a) Each party shall choose a qualified person as defined in this Policy, and those so selected shall then appoint a third qualified person to be determined in their sole discretion.
- (b) In the event a party fails to select a qualified person as specified above, the person selected by the other party shall be deemed acceptable to both parties and shall act as the mediator, arbitrator or facilitator.

**Costs.** The costs of ADR shall be split equally between the parties involved in the ADR. In the event a Homeowner fails to pay the Homeowner's share of the costs of the ADR, such amount shall be considered an Assessment against such Homeowner's Unit and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado law.

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

**Supplement to Law.** The provisions of this Policy shall be in addition to and in supplement to the terms and provisions of the Declaration and the law of the States of Colorado governing the Association.

**Amendment.** The Board of Directors may amend this Policy from time to time.

**Availability.** The Association shall make a copy of this Policy available to Homeowners upon request.

**NOW, THEREFORE, BE IT RESOLVED THAT** the following shall apply;

Nothing in this policy shall be construed to require any specific form of ADR, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Homeowner waives any right to pursue whatever legal or other remedial actions are available to either party.

The Board of Directors may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

*Updated and Revised by the Board of Directors Effective August 5, 2009*

## **Parkwood Gardens Condominium Association, Inc. Reserve Study Policy**

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To comply with the requirements of House Bill 1359 (HB1359) the Association has established a Reserve Study Policy. The Policy implemented is allowed by and in accordance with HB1359. The Policy ensures that each Homeowner understands the Association's Reserve Study Policy. This Policy was developed so the best interests of the Association at large are served.

**WHEREAS**, the Association is required to develop written procedure concerning how the Association's Reserve Studies are handled.

**WHEREAS**, it is a requirement that all Members of the Board of Directors of the common interest community's unit owners' Association receive relevant information related to the Association's operations.

**WHEREAS**, the Association is required to commission a reserve study at least every three years to five years and to identify how it proposes to pay for scheduled repair or replacement of reserve assets.

**NOW, THEREFORE, BE IT RESOLVED THAT** the following shall apply

Each Association with any maintenance repair or replacement responsibility should have a full reserve study.

The Association will engage a Reserve Specialist to prepare a Reserve Study that includes both a physical analysis and a financial analysis. A Reserve Specialist shall have the RS designation or similar designation and be qualified to conduct such studies.

Or, the Board of Directors will appoint a Reserve Study Committee led by an officer of the Board of Directors to conduct an informal Reserve Study. This study would require both a physical analysis and a financial analysis.

The Reserve Study shall include a component inventory, a condition assessment (based on on-site visual observations) and life valuation estimates to determine fund status and a funding plan. The funding shall be done on a regular basis by regular assessments and the fund shall have a positive balance. The fund will not be 100% funded, but a plan must be established adequate to meet expected maintenance needs.

Reserve Studies must be updated every three to five years or as specified by legislative requirements. The Board may decide to update the Reserve Study more often, if they so desire.

Updates should include a physical inspection if maintenance has been deferred, there has been significant deterioration in the components beyond what was expected or there has been significant weather impact on the components (unusually cold weather, severe drought, etc.)

The Board of Directors may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

*Approved by the Board of Directors and Effective August 5, 2009*

**Parkwood Gardens Condominium Association**  
**Conduct of Meetings Policy**

All Association meetings shall be governed by the following rules of conduct and order:

- (A) The President of the Association or designee shall chair all Owner meetings.
- (B) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.
- (C) Anyone wishing to speak must first be recognized by the Chair.
- (D) Only one person may speak at a time.
- (E) Each person who speaks shall first state his or her name and Unit address.
- (F) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
- (G) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (H) 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.
- (I) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.
- (J) All actions and/or decisions will require a first and second motion.
- (K) Once a vote has been taken, there will be no further discussion regarding that topic.
- (L) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded.
- (M) Minutes of actions taken shall be kept by the Association.
- (N) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
- (O) The Chair may establish such additional rules of order as may be necessary from time to time.

**PARKWOOD GARDENS CONDOMINIUM ASSOCIATION  
POLICY FOR COLLECTION OF UNPAID ASSESSMENTS  
Effective: August 9, 2022**

**1. Introduction.** The Board of Directors (“Board”) of Parkwood Gardens Condominium Association, a Colorado nonprofit corporation (“Association”), acting pursuant to the powers set forth in the Association’s Bylaws, Articles of Incorporation, the Condominium Declarations for Parkwood Gardens Condominium, Fort Collins, Colorado, as amended (“Declaration”) (such documents being collectively referred to as the “Association Documents”), and the Colorado Common Interest Ownership Act, as amended (“CCIOA”), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

**2. Policy Purpose.** The purpose of this Policy is to emphasize that collection of unpaid Assessments is an important part of governing the Association and such collection should be done in a uniform manner in accordance with the Association Documents and CCIOA, specifically as CCIOA has been amended by HB 22-1137. It is the intent of this Policy to provide a framework for the collection of past due Assessments in a timely and efficient manner.

**3. Collection of Unpaid Assessments.** To assist with the collection of unpaid Assessments in a timely and efficient manner, the Association shall do the following:

3.1 Due Date/Delinquent Payments. Assessments are due upon the date specified by the Board. Any Assessment not paid within 10 days after its due date is considered past due and delinquent. The Association shall impose interest at any rate up to 8% per annum on past due Assessments from the date of delinquency. Furthermore, a monthly late charge in the amount of \$25.00 may be assessed against the delinquent Owner. Daily late fees are prohibited.

3.2 Returned Check Charge. In addition to any other charges under the Association Documents and this Policy, if an Owner makes payment of Assessments to the Association by a check which is not honored by the bank on which it was written or is returned by such bank for any reason whatsoever, including but not limited to insufficient funds, the Owner shall immediately pay the Association, as part of the Owner’s Assessment, a reasonable returned check charge not to exceed \$20.00.

3.3 Notice to Owner/Payment Plan. If any Assessments are 30 days past due, and before the Association turns over a past due account over to a collection agency or an attorney for collection, the Association must contact the Owner, by written notice, regarding the delinquency. The required written notice must be delivered to the delinquent Owner by both certified mail, return receipt requested, and by posting on the front door, or other conspicuous place, at the Owner’s Unit or Lot. Additionally, the Association must also contact the Owner by one of the following means:

- 1<sup>st</sup> class mail;

- text message; or
- email.

The cost associated with posting the notice of delinquency shall be charged to the delinquent Owner.

The Association must keep a written record of all attempts to contact an Owner regarding a delinquency, specifically including the date of each attempt, the time of each attempt, and the method by which Association made each attempt.

The Owner may designate another contact person for the Association to contact regarding any delinquency. Such designation shall be made in writing and sent to the Association. In such instance, the Association shall send the notice of delinquency to both the Owner and the Owner's designated contact person.

The Owner may designate that all notices regarding delinquency are to be in a language other than English. Such designation shall be made in writing and sent to the Association. In such case, the Association must provide the notice to the Owner in the preferred language as designated by the Owner and in English.

The delinquency notice to all Owners must include the following:

- An itemization of the past due balance, listing the past due amount broken down into past due assessments, fines, fees or other charges owed to the Association.
- That unless the Owner acquired the Owner's Unit or Lot through a foreclosure and does not occupy the Unit or Lot, the Owner will have an opportunity to enter into a payment plan that allows the Owner to pay off the past due amount in equal payments over eighteen (18) months, with monthly payments to be at a minimum \$25.00 per month. Under such a payment plan, the Owner will be required to make payment of the past due Assessments and also remain current with payment of the regular Assessments as they come due during the term of the payment plan. If the Owner does not comply with the payment plan, the Association can then pursue legal action against the Owner as set forth in this Policy.
- If the Owner enters into a payment plan, the Owner can pay the full past due amount at any time, without penalty.
- The contact information for the Association's property manager in the event the delinquent Owner wishes to enter into a payment plan or has any other questions about the amount owing to the Association.
- That action is required to cure the Owner's delinquency and if the Owner fails to do so within 30 days following the date of the Association's letter, the Owner's past due account may be turned over to a collection agency or an attorney, a lawsuit may be filed against the Owner, a lien may be filed and foreclosed against the Owner's Unit or Lot if the delinquency is related to non-payment of

Assessments, and the Association may pursue any other remedies available under Colorado law including the recovery of attorney fees and costs of collection.

- A description of the steps the Association must take before commencing legal action for collection of any unpaid assessments and a description of what legal action the Association may take to small claims court, including injunctive relief.

3.4 Owner's Failure to Respond or Comply with Repayment Plan. If after 30 days of the delinquency notice being sent to any delinquent Owner the Owner has not responded or has declined the offer of the eighteen (18) month repayment period, the Association may commence collection pursuant to Section 3.7 below.

If the Owner enters into a repayment plan of any length, should the owner fail to make any three (3) of the agreed upon monthly payments within fifteen (15) days of their due date or fails to pay three (3) regular assessments within fifteen (15) days of their due date then the Association may commence the collection process pursuant to Section 3.7 below.

3.5 Monthly Notice of Delinquency. The Association shall send monthly notices to all Owners with an outstanding balance. The monthly notices shall be sent via 1<sup>st</sup> class mail and email, if Owner provided the Association in writing with Owner's email address and shall include an itemized listing of the past due amount broken down into past due assessments, fines, fees or other charges owed to the Association. The monthly notice shall be sent to the Owner in English and such other preferred language as designated by the Owner. The Association shall not charge any Owner for an account statement showing the total amount the Owner owes.

3.6 Application of Payments on Delinquent Accounts. All payments received with regard to a delinquent Owner's account shall be applied in the following order:

3.6.1 Past due assessments;

3.6.2 Outstanding fines;

3.6.3 Association's attorneys' fees and costs and expenses of enforcement and collection;

3.6.4 Late charges and interest (if any);

3.6.5 Returned check charges; and

3.6.6 Other costs owing under the Association.

3.7 Collection Remedies. Before a delinquent Owner can be sent to a collection agency or to an attorney for collection, the majority of the Association's Board of Directors must vote to take such action with regard to the delinquent Owner in an open Board of Director's meeting to which the delinquent Owner is invited to attend and in compliance with the Association's Conduct of Meetings Policy. The Board shall record



its vote. The Association's Manager may not commence any collection action without first obtaining the approval of the Association's Board as set forth above. Discussion of the delinquency shall be in executive session pursuant to the Association's Conduct of Meetings Policy.

In the event payment is not received from any delinquent Owner within 30 days after the date of the Association's letter referenced above, the Association may pursue any one or all of the following remedies:

3.7.1 File an Assessment lien against the delinquent Owner's property;

3.7.2 Commence and maintain legal proceedings (lawsuits seeking personal judgments and foreclosure actions) for the recovery of delinquent Assessments, late fees, interest, attorney fees and costs as may be allowed by the Association Documents or CCIOA (foreclosure actions may not be initiated for unpaid fines, interest or late fees alone);

3.7.3 Pursue collection of judgments obtained against Owner;

3.7.4 Take all other lawful action necessary to collect delinquent Assessments in accordance with the Association Documents and Colorado law; and

3.7.5 Suspend the voting rights of the delinquent Owner during the duration of the delinquency.

If the Association fails to follow the procedures set forth above it shall not be construed as any waiver or release of a delinquent Owner's obligation to pay Assessments or the Association's right to collect the Assessments in accordance with this Policy, the Association Documents and CCIOA.

Should the Association pursue foreclosure of its assessment lien, no member of the Association's Board of Directors, the Association's Manager, or any of the Manager's employees, or the Association's legal representative or any member of said law firm, or any family member of any of the preceding, shall be permitted to purchase a foreclosed home or unit.

**4. Enforcement.** Either the Association or an Owner seeking to enforce this Policy, or any rights and responsibilities under the Governing Documents or this Policy related to disputes arising out of assessments, fines or fees owed to the Association and for which the amount does not exceed \$7,500.00, exclusive of interest and costs, may file a claim in Small Claims Court for such enforcement, including injunctive relief.

**5. Violation of Foreclosure Laws.** Should the Association violate this Policy, or any law of the State of Colorado with regard to foreclosure, the affected Owner may, within five (5) years of the violation, file a civil lawsuit in a court of competent jurisdiction to seek damages. The court may award up to \$25,000.00, plus costs and reasonable attorney fees, if the Owner proves the violation by a preponderance of the evidence.

6. **Association's Attorney Fees and Costs.** Any delinquent Owner shall be responsible for attorney fees and costs incurred by the Association in the collection of past due Assessments pursuant to this Policy, the Association Documents and CCIOA. No attorney fees shall be assessed to any delinquent Owner until all notice requirements set forth in this Policy have been complied with. Where litigation is filed to collect past due Assessments, the Court shall determine the reasonableness of all attorney fees and costs.

7. **Foreclosure and Bankruptcy Notices.** If the Association receives any bankruptcy or foreclosure notice regarding an Owner with unpaid Assessments, the Association may seek advice from its attorney regarding the appropriate action to be taken.

8. **Variances.** The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

9. **Amendment.** This Policy may be amended from time to time by the Board.

### CERTIFICATION

The undersigned, being the duly elected and acting President or Secretary of the Parkwood Gardens Condominium Association, a Colorado nonprofit corporation ("Association") certifies that the foregoing Policy for Collection of Unpaid Assessments was approved by the vote of a majority of the Association's Directors at a meeting of the Association's Board of Directors held on \_\_\_\_\_.

Parkwood Gardens Condominium Association, a  
Colorado nonprofit corporation

By: \_\_\_\_\_

**PARKWOOD GARDENS CONDOMINIUM ASSOCIATION  
POLICY FOR CONDUCTING ASSOCIATION MEETINGS  
Effective: August 9, 2022**

**1. Introduction.**

The Board of Directors (“Board”) of Parkwood Gardens Condominium Association, a Colorado nonprofit corporation (“Association”), acting pursuant to the powers set forth in the Association’s Bylaws, Articles of Incorporation, the Condominium Declarations for Parkwood Gardens Condominium, Fort Collins, Colorado, as amended (“Declaration”) (such documents being collectively referred to as the “Association Documents”), and the Colorado Common Interest Ownership Act, as amended (“CCIOA”), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

**2. Policy Purpose.**

The purpose of this Policy is to emphasize that meetings of the Association’s Board and its Members must be conducted in accordance with the Association Documents and applicable law. The Association Documents (in particular, its Bylaws), CCIOA and the Colorado Revised Nonprofit Corporation Act, as amended (“Nonprofit Act”) contain numerous provisions governing meetings of the Association’s Members and Directors including, without limitation, provisions regarding notices, quorums, proxies, voting and Member participation in the meetings. It is not the intent of this Policy to restate those provisions, but rather to provide overall guidance on the requirements governing the conduct of Association meetings.

**3. Member Meetings.**

3.1 Governing Documents and Laws. Meetings of the Association’s Members shall be conducted in accordance with the requirements of the Association Documents (especially the Bylaws), CCIOA and the Nonprofit Act, to the extent applicable.

3.2 Parliamentary Procedure. Unless otherwise provided in the Association Documents, and except as set forth in the code of conduct below, meetings of the Members shall be conducted in accordance with (a) Robert’s Rules of Order Newly Revised, or (b) such other generally recognized rules of parliamentary procedure as may be adopted by resolution of the Board.

3.3 Code of Conduct. The following code of conduct shall apply to meetings of the Members:

3.3.1 Anyone wishing to speak must first be recognized by the meeting chair.

3.3.2 Members shall not interrupt anyone who validly has the floor.

3.3.3 When speaking, Members shall abide by any time limits set by the meeting chair for comment.

3.3.4 Members shall at all times speak and otherwise behave with common courtesy and civility. In particular, Members shall refrain from personal attacks, and from using profane, rude or threatening language.

3.3.5 Any comments should be relevant to the agenda item being discussed.

3.3.6 No Member may speak for a second time on an issue until everyone who wants to speak about that issue has been given the chance to speak once.

3.3.7 Members may not speak more than twice on any one issue, subject to the discretion of the meeting chair.

3.3.8 Members shall obey all orders made by the meeting chair, including an order to step down (i.e., an order to stop speaking and yield the floor).

3.4 Order of Business. Unless otherwise provided in the Association Documents, or unless a different order of business is set forth in any meeting agenda established by the Board, the order of business at meetings of the Members will be the following:

- Establish quorum.
- Call meeting to order.
- Approval of minutes of prior meeting.
- Reports of committees/officers.
- Election of directors (if annual meeting).
- Old business.
- New business.
- Adjournment.

3.5 Meeting Minutes. Minutes of Member meetings will be taken by (a) the Association Secretary, (b) in the absence of the Secretary, any other officer designated by the President, or (c) a representative of the Association's management company, provided that the Secretary must review and sign the minutes prepared by such representative, and further provided that the Secretary is ultimately responsible for the accuracy of the minutes. The minutes will be maintained in the Association's permanent records. Because minutes of Member meetings will be taken, and in order to encourage full discussion by the Members, no Member meeting may be recorded by audio or video means unless otherwise allowed by the Board in its sole discretion.

3.6 Proxies. Votes allocated to a Unit or Lot may be cast pursuant to a duly executed proxy by the Unit or Lot Owner. If a Unit or Lot is owned by more than one person, each owner of the Unit or Lot may vote or register a protest to the casting of votes by the other owners of the Unit or Lot through a duly executed proxy. A Unit or Lot owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable

without notice. A proxy terminates eleven months after its date unless the proxy itself indicates an earlier termination date.

#### **4. Board Meetings.**

4.1 Governing Documents and Laws. Meetings of the Association's Board shall be conducted in accordance with the requirements of the Association Documents (especially the Bylaws), CCIOA and the Nonprofit Act, to the extent applicable.

4.2 Parliamentary Procedure. Unless otherwise provided in the Association Documents, and except as set forth in the code of conduct below, meetings of the Board shall be conducted in accordance with (a) Robert's Rules of Order Newly Revised or (b) such other generally recognized rules of parliamentary procedure as may be adopted by resolution of the Board.

4.3 Code of Conduct. The following code of conduct shall apply to meetings of the Board:

4.3.1 Directors shall conduct themselves in a professional and businesslike manner.

4.3.2 No personal attacks may be made against other Directors, Association Members, residents or managing agents.

4.3.3 Directors shall at all times speak and otherwise behave with common courtesy and civility. In particular, Directors shall refrain from personal attacks, and from using profane, rude or threatening language.

4.3.4 Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.

4.4 Order of Business. Unless otherwise provided in the Association Documents, or unless a different order of business is set forth in any meeting agenda established by the Board, the order of business at meetings of the Board will be the following:

- Establish quorum.
- Call meeting to order.
- Approval of minutes of prior meeting.
- Reports of committees/officers.
- Election of officers (if annual meeting).
- Old business.
- New business.
- Adjournment.

4.5 Meeting Minutes. Minutes of Board meetings will be taken by (a) the Association Secretary, (b) in the absence of the Secretary, any other officer designated by the President, or (c) a representative of the Association's management company, provided

that the Secretary must review and sign the minutes prepared by such representative, and further provided that the Secretary is ultimately responsible for the accuracy of the minutes. The minutes will be maintained in the Association's permanent records. Because minutes of Board meetings will be taken, and in order to encourage full discussion by the Directors, no Board meeting may be recorded by audio or video means unless otherwise allowed by the Board in its sole discretion.

4.6 Executive Sessions. Executive or closed-door sessions of the Board shall be conducted in accordance with CCIOA (C.R.S. § 38-33.3-308). Specifically with regard to delinquency issues with regard to Members, all discussions regarding delinquency shall be held in executive session. In order to proceed with collection action against any member, after compliance with all requirements of the Association's Collection of Unpaid Assessments Policy, a majority of the Board, at a meeting at which a quorum is present, must vote to pursue collection. Upon request of the delinquent member has the right to request the results of any relevant vote regarding the Member's delinquency. A record of such vote will be maintained in the Association's permanent records.

**5. Variances.**

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

**6. Amendment.**

This Policy may be amended from time to time by the Board.

**CERTIFICATION**

The undersigned, being the duly elected and acting President or Secretary of the Parkwood Gardens Condominium Association, a Colorado nonprofit corporation ("Association") certifies that the foregoing Policy for Conducting Association Meetings was approved by the vote of a majority of the Association's Directors at a meeting of the Association's Board of Directors held on \_\_\_\_\_.

Parkwood Gardens Condominium Association, a  
Colorado nonprofit corporation

By: \_\_\_\_\_

**PARKWOOD GARDENS CONDOMINIUM ASSOCIATION  
POLICY FOR ENFORCEMENT OF COVENANTS AND RULES  
(INCLUDING NOTICE AND HEARING PROCEDURES AND SCHEDULE OF FINES)  
Effective: August 9, 2022**

**1. Introduction.**

The Board of Directors (“Board”) of Parkwood Gardens Condominium Association, a Colorado nonprofit corporation (“Association”), acting pursuant to the powers set forth in the Association’s Bylaws, Articles of Incorporation, the Condominium Declarations for Parkwood Gardens Condominium, Fort Collins, Colorado, as amended (“Declaration”) (such documents being collectively referred to as the “Association Documents”), and the Colorado Common Interest Ownership Act, as amended (“CCIOA”), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

**2. Policy Purposes.** The purposes of this Policy are to:

2.1 Set forth procedures and rules to promote the consistent enforcement of the Association Documents, in accordance with the Association Documents and CCIOA, specifically as amended by HB 22-1137;

2.2. Provide a framework for mediation of disputes between the Association and Owners, except those related to collection of past due assessments or matters that may require an injunction, restraining order or protection order; and

2.3 Provide Owners with notice of the schedule of fines for violations of the Association Documents.

**3. Mediation.**

3.1. Request for Mediation. In the event of a dispute between the Association and any Owner, except disputes regarding past due assessments or any matter that may require an injunction, restraining order or protection order, either the Association or an Owner may request mediation by an independent, third-party mediator. A request for mediation (“Request”) must be in writing and mailed to the Association or Owner by U.S. Mail, first class postage prepaid, to such address for the recipient shown by the public records. The Request shall be considered effective three days following deposit in the mail. The parties shall make reasonable efforts to select a mediator and schedule mediation of the dispute within 30 days after the effective date of the Request, or such longer time as the parties may agree upon in writing. If the mediation does not occur within 30 days (or longer if so agreed in writing), or the parties are unable to settle the dispute through mediation, the Association or Owner may pursue any other lawful remedy allowed by the Association Documents or Colorado law.

3.2 Mediation Fees and Costs. Fees and costs associated with the mediation, including payment of fees to the mediator, shall be paid as follows:

3.2.1 The requesting party shall pay the mediator in advance for the first two hours of mediation.

3.2.2 If the mediation lasts more than two hours, the mediator's fees for time beyond the first two hours shall be divided equally between the Association and Owner(s) and paid at the conclusion of the mediation.

3.2.3 The Association and any participating Owner may be represented by their respective attorneys at the mediation. Each party shall pay their respective attorney fees associated with the mediation.

3.2.4 If an Owner requests mediation but fails to appear at the date and time scheduled for the mediation, the Owner shall pay all expenses of the Association related to the mediation, including attorney fees and costs, and those expenses shall be assessed against the Owner as part of the Owner's Assessment.

3.3. Continuation of Hearing and Imposition of Fines. A request for mediation shall not suspend or stay any hearing or imposition of fines in accordance with the Fine Policy set forth below. Any fines imposed prior to or after a request for mediation shall remain in place or continue to accrue (in the event of a continuing violation where a recurring fine is imposed) pending mediation of the dispute. Unless otherwise agreed at mediation, such fines shall remain legally collectable as Assessments in accordance with the Association Documents and Colorado law.

3.4. Continuation of Legal Proceedings. If a lawsuit for the collection of Assessments or enforcement of the Association Documents is commenced prior to receiving a request for mediation, such request shall not suspend or stay the lawsuit. The lawsuit shall continue forward, in addition to the mediation process described above, unless otherwise agreed upon by the parties in writing.

#### **4. Fine Policy, Notice and Hearing Procedures.**

4.1 Fine Policy. The Association may levy fines for violations of the Association Documents in accordance with the following fair and impartial fact-finding process which is designed to determine whether the alleged violation actually occurred and whether the owner allegedly violating the Association Documents is the one who should be held responsible for the violation.

4.2 Notice of Violation ("Notice"). The Notice of Violation process is as follows:

4.2.1 The Association or any member of the Association may report a violation. If reported by a member, the member should report the violation in writing to the Association at the Association's address. If the violation is of the type that can be readily photographed, any report of the violation should include one or more photographs of the violation.



4.2.2 The Board will verify the violation and, if verified, the Board shall issue a written Notice to the violating Owner.

4.2.2(a) For covenant violations that threaten public safety or health, the Notice will describe the nature of the violation, advise the Owner that he/she has seventy-two (72) hours to correct the violation or may be fined and state that the Association may seek to remedy the violation and otherwise protect its rights as specified in the Association Documents and as provided by law. At the conclusion of the seventy-two (72) hour period, the Association shall inspect the Owner's property to determine if the violation has been corrected. If the violation has not been corrected, the Association may impose fines as set forth in Section 4.5 below and take other legal action the Association deems appropriate to correct the violation.

4.2.2(b) For covenant violations that do not threaten public safety or health, the Notice will describe the nature of the violation, advise the Owner that he/she has thirty (30) days to correct the violation or may be fined and state that the Association may seek to remedy the violation and otherwise protect its rights as specified in the Association Documents and as provided by law. The Notice shall be sent to the Owner by certified mail, return receipt requested. No later than seven (7) days after the conclusion of the thirty (30) day period, the Association shall inspect the Owner's property to determine if the violation has been corrected. If the violation has not been corrected, the Association shall send a second Notice to the Owner advising that the violation has not been corrected and that the Owner has an additional thirty (30) days to correct the violation or may be fined and state that the Association may seek to remedy the violation and otherwise protect its rights as specified in the Association Documents and as provided by law. The second Notice shall also be sent to the Owner by certified mail, return receipt requested. If at the conclusion of the second thirty (30) day period the violation has still not been corrected, the Association may impose fines as set forth in Section 4.5 below and take other legal action the Association deems appropriate to correct the violation.

4.2.2(c) Before the expiration of either the first or the second thirty (30) day period to cure the violation, the Owner may send the Association written notice that the violation has been cured, with visual evidence that the violation has been cured and the violation will be deemed cured as of the date the Owner sends the written notice. If the written notice from the Owner does not include visual evidence of the cure, then the Association shall inspect the Owner's property as soon as practicable to determine if the violation has been cured.

4.2.2(d) If the Owner does not provide written notice to the Association that the violation has been cured before the expiration the second thirty (30) day period to cure the violation, then within seven (7) days after the expiration of the second thirty (30) day period the Association shall inspect the Owner's property as soon as practicable to determine if the violation has been cured. If upon inspection the Association determines that the violation has not been cured the

Association may impose fines as set forth in Section 4.5 below and take other legal action the Association deems appropriate to correct the violation.

4.2.2(e) If the Association determines the violation has been cured, the Association shall promptly notify the Owner, in English and such other preferred language as designated by the Owner, that the Owner will not be further fined with regard to the violation and provide notice of any outstanding fine balance owed by the Owner to the Association.

4.2.3 The Notice, together with a copy of this Policy, will be sent via U.S. Mail, first class postage prepaid, return receipt requested, addressed to the last registered address of the Owner as listed in the Association's records. The Notice will be considered effective three days after it is deposited in the mail.

4.2.4 Any Owner may designate in writing that all Notices regarding covenant violations are to be in a language other than English and, in such case, the Association must provide the Notice to the Owner in the preferred language as designated by the Owner and in English.

4.3 Requests for Hearing. Any Owner receiving a violation Notice has the right to request a hearing before the Board as the Association's impartial decision-maker. To request a hearing, the Owner must contact the Association in writing within seven (7) days after the effective date of the Notice. The Association's Board shall then set a date for the hearing as soon as is practicable. If the hearing, for whatever reason, cannot be held prior to the date when the fine is otherwise scheduled to commence, the date the fine begins shall be extended to the day following the hearing. No Board member may have any direct personal or financial interest in the outcome of the hearing process. A Board member shall not be deemed to have a direct personal or financial interest in the outcome if the Board member will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. Any Board member who does have any direct personal or financial interest in the outcome of the hearing process shall not participate in the hearing. The purposes of the hearing are to (1) determine if the Owner receiving the Notice should be held responsible for the alleged violation, (2) evaluate any mitigating circumstances, and (3) make arrangements for bringing the violation into compliance over a period of time if warranted.

The hearing process will not and cannot be used to determine if a particular provision of the Association Documents is desirable.

4.4 Hearing Procedure. The general procedure for the hearing is as follows:

4.4.1 The presiding Board member shall (1) establish a quorum, (2) explain the Fine Policy and procedures, and (3) describe the nature of the violation as specified in the Notice.

4.4.2 The Owner may then provide rebuttal to the Notice using witnesses or any other information deemed relevant and necessary.

4.4.3 After all testimony and other evidence has been presented, the Board shall decide whether the Owner should be held responsible for the alleged violation. If the Board finds that the Owner has violated the Association Documents, a fine shall then be assessed by the Board or mutually agreeable arrangements made with the Owner to ensure correction of the violation and compliance in the future. If the Board finds that the Owner should not be held responsible for the alleged violation, then (1) no fine shall be assessed, and (2) the Association shall not allocate to that Owner's Association account any of the Association's costs or attorneys' fees incurred in asserting or hearing the alleged violation.

4.5 Fines. If an Owner fails to timely correct a violation as set forth in Section 4.2 above, then the Board shall fine the Owner \$100.00 and written notice of the fine shall be provided to the Owner ("Initial Fine Letter"). If the violation is not corrected within ten (10) days of the date of the Initial Fine Letter, then the Board shall fine the Owner an additional \$150.00 and written notice of the additional fine shall be provided to the Owner ("Second Fine Letter"). If the violation is still not corrected within ten (10) days of the date of the Second Fine Letter, then the Board shall fine the Owner \$250.00 and written notice of the fine shall be provided to the Owner. In the alternative, the Association may fine the Owner the sum of \$50.00 every other day, up to a maximum of \$500.00, until the violation is corrected. In no circumstance may the Owner be fined in excess of \$500.00 per violation. The Owner is responsible for notifying the Association in writing if and when the violation has been corrected.

4.6 Injunction. If the violation has not been corrected within 60 days after the Notice, the Association may commence the necessary legal proceedings under the Association Documents or under Colorado law to compel correction of the violation as well as to recover any unpaid fines, court costs, attorneys' fees and other Association expenses arising from the violation. Nothing in this paragraph shall preclude the Association from commencing legal proceedings to correct the violation prior to expiration of the 60-day period.

4.7 Collection of Fines. Assessed fines shall be billed to the Owner pursuant to the Association's policy for Collection of Unpaid Assessments and are legally collectable as Assessments in accordance with the Association Documents and Colorado law. The fines are the personal obligation of the violating Owner and, in addition, constitute a lien against such Owner's property. Furthermore, the violating Owner is responsible for all costs and reasonable attorney fees incurred by the Association as a result of the violation.

4.8 Repeat Violations. A "repeat violation" is a violation committed by an Owner which is the same as the original violation committed by that Owner, and which occurs within twelve months after the original violation. A repeat violation is considered a continuation of the original violation, and thus an Owner committing a repeat violation is not entitled to the same hearing procedures set forth above. However, the Association shall provide Notice of the repeat violation to the Owner in accordance with Section 4.2 above. If the repeat violation has not been corrected within the time period specified in the Notice for correction of the violation, then the fine (which will be determined by the Board and may be up to double the amount of the fine assessed for the original violation

but shall in no event exceed \$500.00 per violation) will commence upon the expiration of the correction time period, notwithstanding any other provisions of this Fine Policy to the contrary. An Owner committing a repeat violation shall have no right to a hearing on such repeat violation before the Board.

4.9 Fines Not Exclusive Remedy. Fines levied under this Policy are not the Association's exclusive remedy for addressing a violation. Nothing in this Fine Policy precludes the Association from pursuing any other remedy provided under the Association Documents or under Colorado law for correcting the violation.

5. Variations. The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

6. Amendment. This Policy may be amended from time to time by the Board.

### CERTIFICATION

The undersigned, being the duly elected and acting President or Secretary of the Parkwood Gardens Condominium Association, a Colorado nonprofit corporation ("Association") certifies that the foregoing Policy for Enforcement of Covenants and Rules (Including Notice and Hearing Procedures and Schedule of Fines) was approved by the vote of a majority of the Association's Directors at a meeting of the Association's Board of Directors held on

\_\_\_\_\_.

Parkwood Gardens Condominium Association, a  
Colorado nonprofit corporation

By: \_\_\_\_\_