

**EAGLES NEST PROPERTY  
HOMEOWNERS ASSOCIATION, INC.**

**A Non-Profit Corporation**

**BYLAWS**

Adopted December 9, 2021

PREPARED FOR:  
EAGLES NEST PROPERTY HOMEOWNERS ASSOCIATION  
P. O. Box 24419  
Silverthorne, Co 80497

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## **ARTICLE I: GENERAL**

### **PRINCIPAL OFFICE**

The principal office of the Association in the State of Colorado shall be located at 2700 Golden Eagle Road, Silverthorne, CO 80498. The Association may have such other offices as the Board of Directors may designate.

The registered office of the Association, required by the Colorado Nonprofit Corporation Act to be maintained in the State of Colorado, may be, but need not be; identical with the principal office in the State of Colorado, and the address of the registered office may be changed by the Board of Directors.

### **DEFINITIONS**

"Association" shall mean the EAGLES NEST PROPERTY HOMEOWNERS ASSOCIATION, (ENPHA), a nonprofit corporation organized and existing under the laws of the State of Colorado, and operating in compliance with the Colorado Common Interest Ownership Act, CRS 38-33.3-101, et. sec.

"Declaration" shall mean the Declaration and Agreement Creating Covenants, Conditions, Restrictions, and Easements established for the benefit of the Association, its Owners, and the property and the residents of the community located thereon.

"ENPHA Property" shall mean any property subject to the Declaration(s) and the covenants, liens or charges imposed thereby.

### **NONDISCRIMINATION**

The officers, directors, committee members, and employees of the corporation shall be chosen on a nondiscriminatory basis with respect to sex, race, religion, national origin and sexual orientation.

## **ARTICLE II: OWNERS**

### **ROLES AND RESPONSIBILITIES**

Membership in the Association shall consist of one class and shall be open to all property owners pursuant to its Articles of Incorporation as restated and amended. Members of the Association are hereinafter referred to as "Owners". The rights of the Owners are subject to (a) the payment of periodic charges imposed by the Declaration, and (b) compliance with the covenants of the Declaration and the rules and regulations of the Board of Directors regarding the use of ENPHA Property and the conduct of Owners, their families, their tenants, and the guests of any thereof.

The voting and other membership rights of any Owner may be suspended by action of the Directors during any period when such owner shall have failed to pay any charges then due and payable; but upon payment of such charges, his or her rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of ENPHA Property, or any common Facilities, or the personal conduct of any person thereon, the voting or other membership rights of any Owner may be suspended by action of the Board of Directors for a period not to exceed thirty (30) days, if the Owner, any member of the Owner's family, tenants or the guests of any thereof shall have violated such rules and regulations.

### **TENANTS**

Each Owner is entitled to the use and enjoyment of ENPHA Property and Common Area in accordance with the Declaration. Such rights may be delegated to and exercised by all tenants who reside thereunder a lease for a term of one (1) year or more, and the guests of any thereof. Each Owner shall notify the Secretary of the Association in writing of the name and relationship to the Owner of any person who shall be entitled to exercise such rights under this Section. The rights and privileges of such person are subject to suspension by the Board in the same manner and for the same reasons as those of any Owner under the preceding paragraph.

### **ANNUAL MEETING**

The annual meeting of the Owners shall be held at such time on such day in the month of March or April as shall be established by the Board of Directors for the purpose of electing directors, and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting of the Owners, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Owners as soon thereafter as may be convenient.

### **SPECIAL MEETINGS**

Special meetings of the Owners, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by a majority of the Board of Directors, and shall be called by the President at the written request of one-tenth of the Owners.

## **QUORUM**

One-fifth of the Owners, entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of Owners: except as otherwise provided by the Colorado Nonprofit Corporation Code. In the absence of a quorum at any such meeting, a majority of the Owners present may adjourn the meeting for a period not to exceed sixty days without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Owners whose absence would cause there to be less than a quorum.

## **MANNER OF ACTING**

If a quorum is present, the affirmative vote of the majority of the Owners represented at the meeting and entitled to vote on the subject matter shall be the act of the Owners, unless the vote of a greater proportion or number is otherwise required by statute. All meetings of Owners shall be conducted in accordance with the procedural rules set forth in the most recent edition of Robert's Rules of Order.

## **VOTING**

Voting by the Owners shall be in accordance with the Articles of Incorporation as restated and amended. Voting on any contested election for a position on the Board of Directors must be by written ballot in accordance with the State of Colorado Statute governing such.

## **NOTICES**

Written notice stating the place, day and hour of the meeting of Owners and, in case of a special meeting, the purpose for which the meeting is called, shall, unless otherwise prescribed by statute, be given not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by depositing the same in the U.S. mail at the direction of the president, the secretary, or the officers or persons entitled to and calling the meeting, to each Owner entitled to vote at that meeting. Notices shall be sent to Owners at the address appearing on the books of the Association and each Owner shall register his address and any change of address with the Secretary of the Association.

## **PROXIES**

At all meetings of the Owners, an Owner may vote in person or by proxy executed in writing by the Owner or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

## **OWNER EDUCATION**

Annually, the association shall provide education to the Owners as to the general operations of the Association, and the rights and responsibilities of Owners, the Association, and the Board of Directors.

## **ARTICLE III: BOARD OF DIRECTORS**

### **GENERAL POWERS**

The Board of Directors, subject to and in accordance with the Articles of Incorporation and the Declaration, shall manage the business and affairs of the Association. At its discretion, the Board of Directors may delegate any and all of its authority to other persons or managing agent.

### **PERFORMANCES OF DUTIES**

A director of the Association shall perform his or her duties as a director, including his or her duties as a member of a committee of the board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Association, and with such judgment as an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed the following paragraph. However, the director will not be considered acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

A person who so performs his or her duties shall not have any liability by reason of being or having been a director of the Association. Those persons and groups on whose information, opinions, reports, and statements a director is entitled to rely upon are: One or more officers or employees of the Association whom the director reasonably believes to be reliable and competent in the matters presented; Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such persons' professional or expert competence; or a committee of the board upon which he or she does not serve, duly designated in accordance with the provisions of the Declaration or the Bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

### **NUMBER, TENURE AND QUALIFICATIONS**

The number of directors of the Association shall be seven (7). Each director shall hold office for the term stated hereunder until his or her successor shall have been elected. The Owners at each annual meeting shall elect directors for a term of three (3) years as the respective director's current term expires. Directors need not be residents of the State of Colorado.

### **REGULAR MEETINGS**

The annual meeting of the Board of Directors for the appointment of officers shall be held as soon as practicable following the annual meeting of the Owners. The Board of Directors may provide, the time and place, either within or without the State of Colorado, for the holding of additional meetings without notice other than by resolution. The President or Vice President shall preside at all meetings of the Board of Directors.

### **SPECIAL MEETINGS**

Special meetings of the Board of Directors may be called by the President or at the request of any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, within the State of Colorado, as the place for holding any special meeting of the Board of Directors called by them.

### **NOTICE**

Written notices of any special meeting of the Board of Directors shall be given as follows: By depositing in the U.S. mail to each director at his or her business address at least three days prior to the meeting; or by personal delivery or email or other form of electronic means at least twenty-four hours prior to the meeting to the business address or residence address of each director, or in the event such notice is given on a Saturday, Sunday or holiday, to the residence address of each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where, a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

### **QUORUM**

Two-thirds ( $\frac{2}{3}$ ) of the number of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such number is present at a meeting in person or represented by proxy, a majority of the directors present may adjourn the meeting without further notice.

### **MANNER OF ACTING**

Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. All meetings of the board of directors shall be governed by the procedural rules set forth in the most recent edition of Robert's Rules of Order. All meetings of the Board of Directors shall be open to all Owners and their representatives. At an appropriate time determined by the President, but before the Board of Directors votes on the issue under discussion, the Board of Directors shall permit the Owners or their designated representative to speak regarding the issue. If more than one person desires to address an issue and there are opposing views, the Board of Directors shall provide for a reasonable number of persons to speak on each side of the issue. The Board of Directors may place reasonable time restrictions on persons speaking during the meeting.

### **EXECUTIVE SESSION**

The Board of Directors may conduct on executive session and restrict attendance to the Board of Directors and others specifically designated by the Board of Directors for any of the following reasons:

- (a) to consult 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;
- (b) to discuss matters pertaining to employees of ENPHA or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of ENPHA;
- (c) investigate proceedings concerning possible or actual criminal misconduct;
- (d) the disclosure of any matter which would constitute an unwarranted invasion of individual privacy; or
- (e) review or discussion relating to any written or oral communication from legal counsel.

Before the Board of Directors enters into executive session, the President shall announce the general matter to be discussed from the above reasons. The minutes of all meetings at which an executive session was held must indicate that an executive session was held and the general subject matter of the discussion. While in executive session, the Board of Directors will not vote on any issue under discussion.

### **INFORMAL ACTIONS BY DIRECTORS**

Any action required or permitted to be taken by the Board of Directors or by a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or all of the committee members entitled to vote with respect to the subject matter thereof.

### **PARTICIPATION BY ELECTRONIC MEANS**

Any member of the Board of Directors or any committee designated by such Board may participate in a meeting of the Board of Directors or committee by means of telephone conference or similar communications equipment by which all persons in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Action may be taken by the Board of Directors by electronic means without a physical meeting of the Board of Directors. Any such action shall be initiated by the Secretary of the Board of Directors, or his or her designee, by electronically transmitting the proposed action to all members of the Board of Directors. Members of the Board of Directors shall cast their votes on the proposed action by electronic transmission to the Secretary with electronic copies to all other members of the Board of Directors. Voting shall be open for the period of time set forth by the Secretary in the notice of the proposed action, but in no event less than forty-eight (48) hours. In order for the proposed action to be approved, the majority of those voting must agree to the proposed action. No action shall be authorized by electronic means unless the total number of votes cast by members of the Board of Directors constitute a quorum.

### **VACANCIES**

Any vacancy occurring in the Board of Directors may be filled by appointment by the remaining Board of Directors. A director appointed to fill a vacancy shall serve the unexpired term of his or her predecessor in office, at which time the appointed director position will be filled by an election of the Owners at the next annual Owners' meeting.

### **RESIGNATION**

Any director may resign at any time by giving written notice to the President or the Secretary of the Association. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

### **REMOVAL**

Any director or directors may be removed at any time, with cause, in the manner provided in the Colorado Nonprofit Corporation Act.

### **COMPENSATION**

Directors shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance at each meeting and may be paid for attendance at each meeting of the Board of Directors; but nothing herein shall preclude any director from serving the Association in any other capacity and receiving compensation therefore, with full disclosure to the Owners.

In compliance with Colorado Revised Statute 38-33.3-209.6, the Board of Directors may authorize reimbursement of board members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of Colorado Home Owners Associations.

### **PRESUMPTION OF ASSENT**

A director of the Association who is present at a meeting of the Board of Directors at which action on any association matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

### **PROXIES**

At all meetings of the Board of Directors, or for actions taken by electronic means, a director may vote in person, electronically, or by proxy authorizing another member of the Board of Directors to act on the absent member's behalf. Such proxy shall be recorded by the Secretary of the Board of Directors. Directors attending a meeting, or for actions taken by electronic means, by proxy shall be considered present for purposes of determining whether a quorum has been reached.

## **ARTICLE IV: OFFICERS**

The officers of the Association shall be President, Vice President, Secretary, Treasurer, Design, Environmental, and Facilities and Maintenance. Each officer must be eighteen (18) years of age or older and shall be appointed by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be appointed by the Board of Directors. Any person, except the President, may hold two or more offices.

### **PRESIDENT**

The President shall:

- (a) be the chief executive officer of the Association but subject to the control of the Board of Directors;
- (b) in general, supervise and control all of the business and affairs of the corporation;
- (c) when present, preside at all meetings of the Owners and of the Board of Directors;
- (d) perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors.

### **VICE PRESIDENT**

The Vice President shall:

- (a) in the absence of the President, or in the event of his or her inability or refusal to act, perform all duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President;
- (b) oversee the contracted compliance function and effectiveness;
- (c) make arrangements for the Annual Meeting;
- (d) provide for an annual review of the property owner records;
- (e) perform such other duties as may be assigned to him or her by the President or by the Board of Directors;

### **SECRETARY**

The Secretary shall:

- (a) keep the minutes of the proceeding of the Owners and of the Board of Directors;
- (b) see that all notices of meeting are given in accordance with the provisions of these Bylaws or as required by law;
- (c) be custodian of the Association records;
- (d) coordinate the publication of association newsletters and annual letter;
- (e) maintain a web site to include those items required by the Colorado Common Interest Ownership Act C.R.S. 38-33.3; to include the Annual Disclosure;
- (f) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

## **TREASURER**

The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Association;
- (b) ensure the timely payment of all amounts due from the Association and as well as payables at any given time, all approved by the Account Managers;
- (c) ensure the deposit of all moneys received in the name of the Association into such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws;
- (d) maintain financial records, reports and tax reporting as required;
- (e) lead in the development of the Annual Budget;
- (f) interface with any contracted outside accounting service function and lead in establishing contracts with same;
- (g) in general, perform all of the duties incident to the office of Treasurer and such other duties as may be assigned to him or her by the President or by the Board of Directors.

## **DESIGN**

The Design officer shall:

- (a) serve as Chairperson of the Design Review Committee (DRC);
- (b) review all proposed construction for compliance with design guidelines, the declaration and covenants;
- (c) assures that the DRC maintains records of all properties under construction;
- (d) maintains financial status of all DRC activity;
- (e) revises design guidelines as necessary;
- (f) in general, perform all of the duties incidental to these responsibilities and such other duties as may be assigned to him or her by the President or by the Board of Directors.

## **ENVIRONMENTAL**

The Environmental officer shall:

- (a) assess the condition of the flora on all properties within the association;
- (b) recommend actions and programs where necessary to control dead and diseased trees and troublesome weeds from degrading the value, the aesthetics, and safety of ENPHA;
- (c) evaluate potential fire mitigation concerns;
- (d) evaluate all open spaces and trail systems;
- (e) in general, perform all of the duties incidental to these responsibilities as may be assigned to him or her by the President or by the Board of Directors.

## **FACILITIES & MAINTENANCE**

The Facilities and Maintenance officer shall:

- (a) oversee any contracted maintenance functions for the Community Center, Pavilion, grounds, and ENPHA entrances;
- (b) assess facilities state of repair and safety and ensure assure adequate reserves are in place to maintain same;
- (c) lead the annual community cleanup;
- (d) in general, perform all of the duties incidental to this responsibility and such other duties as from may be assigned to him or her by the President or by the Board of Directors.

## **APPOINTMENT AND TERM OF OFFICE**

The officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after the annual meeting of the Owners, or as soon thereafter as practicable. Each officer shall hold office until his or her successor has been appointed or until he or she shall resign or shall have been removed in the manner hereinafter provided.

## **REMOVAL**

Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer or agent shall not of itself create contract rights.

## **VACANCIES**

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

## **ASSISTANT OFFICERS**

Assistant officers shall perform such duties as shall be assigned to them by their respective officers, or by the President or the Board of Directors.

## **SALARIES**

The officers shall serve without salary.

## **ARTICLE V: FINANCIAL RULES**

### **BUDGETS**

The fiscal year of the corporation shall begin on the first day in January and end on the last day of December in each calendar year. Budgets will be approved annually by the Board of Directors in December on a line-item basis for all revenue and expense accounts and all changes to reserve and other balance sheet accounts. Line items will be defined by the Treasurer. All line items will be assigned an Account Manager who will recommend the budgeted amounts to the Board of Directors.

Adjustments to an approved budget expense line item may be made by the Board of Directors at any time.

### **ACCOUNT MANAGERS**

The Account Managers will facilitate all actions for their respective line items, including ensuring that all expenditures have sufficient budget authorization before work is begun, proposing written contracts, obtaining Board of Director approval for necessary expenditures where there is no written contract, providing feedback to the Board of Directors as needed regarding contractor performance, and approving all invoices and expense reimbursement reports for payment.

Account Managers may delegate their authority to another Board member. The delegee may approve invoices for payment. However, the Account Manager remains accountable for all spending actions related to his/her line item(s).

Anticipated overruns to individual line items should be reported by the Account Manager to the Treasurer with offsetting savings in other of the Account Manager's line items identified. If there are no offsetting savings within the Account Manager's accounts, the overrun will be referred to the Board of Directors for resolution.

### **AUTHORIZATION TO SPEND**

The annual budget approved by the Board of Directors each December provides general authorization for Account Managers to enter into contracts and make expenditures within the budgeted amounts for specified line items. Within ninety (90) calendar days after adoption of the budget, the Board of Directors shall deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider the budget.

## **BIDS AND QUOTES**

Any work performed for the ENPHA under one or more-line items of an approved budget is to be undertaken only if the amount of the proposed project is less than the line-item budget amount(s) and after the following is done:

- (a) For projects valued at \$1,000 but less than \$5,000 – at least one written quote from a supplier should be obtained,
- (b) For procurements valued at \$5,000 or more – at least two (2) written quotes from suppliers should be obtained, except that multiple quotes will not be needed for: (a) work to be performed under a contract with an Approved Supplier; or (b) when the Board of Directors determines that multiple quotes are unnecessary, in which case the rationale for the single source shall be documented in the resolution,
- (c) Any proposed project amount that exceeds the budget line-item amount must be approved by the Board before bids/quotes are accepted (see 1.5 above).
- (d) The scope of a contract or purchase shall not to be subdivided into parts for the purpose of circumventing these bid limits.

## **APPROVED SUPPLIERS**

The Board of Directors, by resolution, may identify from particular suppliers of goods or services as Approved Suppliers for specific work. These suppliers, for the scope of work specified, may be retained with or without the need for competitive bids or quotes. To become an Approved Supplier that person or entity should possess particular knowledge of the ENPHA, its Owners, and/or its procedures and have a prior record of excellent performance.

## **PROCEDURES FOR PAYING APPROVED EXPENDITURES**

All payments, regardless of amount, must be approved by the Account Manager or delegee before being submitted for payment. The invoices must be originals; no payments will be made based on statements or copies. Account Manager approval must be in writing. Approved invoices and expense reports may be submitted directly to ENPHA's bookkeeper or to the Treasurer. For electronically generated invoices, e-mail approval with the invoice forwarded to the ENPHA bookkeeper is sufficient; however, the Account Manager is responsible for assuring the invoice is forwarded only once.

Payments will be made by check except to information technology vendors who do not accept payment by check, such as Google and GoDaddy. Payment for utilities may be paid online with the Account Manager's approval. Those payments may be made by debit card which shall remain in the custody of the Treasurer.

All invoices will be paid within thirty (30) days of receipt unless more favorable terms are offered.

All Board members will be authorized to sign checks on the primary ENPHA and DRC accounts after notification to the bank, although the Treasurer is the primary signer. In addition, any co-chair of the DRC who is not also an ENPHA board member may sign DRC checks, but not ENPHA checks. The President, Vice President, Treasurer and Secretary are authorized to sign checks on any additional ENPHA Accounts.

Only the ENPHA bookkeeper, who maintains secure custody of all check stock, is authorized to write checks. Under no circumstances is the bookkeeper authorized to sign checks. Checks drafted in the amount over five thousand dollars (\$5,000.00) must be signed by two board members.

#### **DESIGN REVIEW COMMITTEE (DRC)**

A separate set of books and separate bank accounts shall be maintained for the DRC with the annual DRC budget approved by the ENPHA Board of Directors. Approval of DRC invoices and expense reports is limited to the DRC Chair or Co-Chairs except that the President or Treasurer of ENPHA may approve the expense reports of the co-chairs. In addition to the DRC Chair, or Co-Chairs, board members are authorized to sign checks drawn on the primary DRC bank account with proper approval. Moreover, the DRC co-chairs, the President, Vice President, and Treasurer on the ENPHA Board are authorized to sign checks drawn on any additional DRC bank accounts with proper approval. All DRC expenditures are subject to the procedures set out above.

#### **EMERGENCIES**

In the event a situation arises that is not anticipated and allowing the situation to continue unchecked will only aggravate the situation (perhaps at significant additional cost), it is expected that individual board members will take action and expend funds to remedy the situation. Generally, this should be a stop-gap measure with a minimal expenditure of funds. Any actions taken under this paragraph are to be reported to the Account Manager as well as the Board of Directors as soon as possible thereafter.

#### **REVENUE ACCOUNTS**

The treasurer will be the Account Manager for all of the revenue accounts of the general organization and the DRC Co-chairs will be the Account Managers for all DRC revenue accounts.

#### **RESERVE ACCOUNTS**

A reserve study will be conducted every five (5) years to assure adequate reserves are in place to cover deferred maintenance and required capital expenditures as well as safeguard against legal actions, insurance deductible requirements and operating shortfalls. A budget for the reserve account is approved by the Board of Directors annually in December of each year. The Treasurer is the Account Manager of the reserve accounts for both the general organization and the DRC.

### **BALANCE SHEET ACCOUNTS**

The Treasurer is the Account Manager of the balance sheet accounts. Cash balances are managed for safety, liquidity and yield. Investments are limited to money market accounts and certificates of deposits. All accounts should be maintained in such a way that each account is insured by the FDIC.

### **AUDITS AND REVIEWS**

The financial books and records of the Association may be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the Board of Directors. Such person need not be a certified public accountant except in the case of an audit. A person selected to conduct a review shall have at least a basic understanding of the principles of accounting. The audit or review shall cover the Association's financial statement, which shall be prepared using generally accepted accounting principles. An audit or review may be initiated at any time in the discretion of the Board of Directors.

An audit shall be required when both of the following conditions are met:

- (a) The Association has annual revenues or expenditures of at least two hundred fifty thousand dollars; and
- (b) An audit is requested by the Owners of at least one-third of the units represented by the Association.

A review shall be required when requested by the Owners of at least one-third of properties represented by the Association.

In addition to the requirement to disclose an audit or review as part of the Annual Disclosure. Copies of any audit or review shall be made available upon request to any Owner beginning no later than thirty calendar days after its completion.

### **LOANS**

No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. No monetary loans shall be made by the Association to any officer or director of the Association.

### **GIFTS**

The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purposes of the Association.

## **ARTICLE VI: ANNUAL DISCLOSURE**

Within ninety (90) days after the end of each fiscal year (December 31), the Secretary for the Association shall post the Annual Disclosure on the ENPHA web page. The Annual Disclosure shall consist of the following:

- (a) The Association's operating budget for the then current fiscal year;
- (b) A list, by unit type, of the Association's then current assessments, including both regular and special assessments;
- (c) The Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current Annual Disclosure;
- (d) The results of the Association's most recent available financial audit or review;
- (e) A list of all Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (f) All the Association's bylaws, articles, and rules and regulations;
- (g) The minutes of Board of Directors and Owner meetings for the fiscal year immediately preceding the current Annual Disclosure.

## ARTICLE VII: RECORDS

### REQUIRED RECORDS

The Association will maintain the following records for the purposes of document retention and production to Owners:

- (a) Detailed records of receipts and expenditures affecting the operation and administration of the Association;
- (b) Records of claims for construction defects and amounts received pursuant to settlement of those claims;
- (c) Minutes of all meetings of its Owners and the Board of Directors, a record of all actions taken by the Owners or Board of Directors without a meeting, and a record of all actions taken by any committee of the Board of Directors;
- (d) Written communications among, and the votes cast by, board members that are:
  - Directly related to an action taken by the board without a meeting pursuant to COLO. REV. STAT § 7-128-202; or
  - Directly related to an action taken by the board without a meeting pursuant to the Association's bylaws;

However, the members of the Board of Directors are permitted to communicate generally between and among themselves with respect to Association business without this constituting a meeting that must comply with meeting requirements. The Board of Directors may also be permitted to take action on behalf of the Association without a meeting or by written ballot under the governing documents and applicable Colorado law. However, to the extent that the Board of Directors does take action on behalf of the Association without a meeting, the written communications relating to that action (such as e-mail correspondence) must be maintained as Records. The secretary is responsible for maintaining such written communications.

- (e) The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses and electronic mail address at which the Association communicates with them, showing the number of votes each unit Owner is entitled to vote;
- (f) Its current declaration, covenants, bylaws, articles of incorporation, rules and regulations, responsible governance policies adopted pursuant to COLO. REV. STAT § 38-33.3-209.5, and other policies adopted by the Board of Directors;

- (g) Financial statements as described in COLO. REV. STAT § 7-136-106 (requiring reasonable detail of the association's assets and liabilities and results of its operations) for the past three years and tax returns of the association for the past seven years, to the extent available;
- (h) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board of Directors and officers;
- (i) Its most recent annual report delivered to the secretary of state, if any;
- (j) Financial records sufficiently detailed to enable the association to comply with COLO. REV. STAT § 38-33.3-316(8) concerning statements of unpaid assessments;
- (k) The Association's most recent reserve study, if any;
- (l) Current written contracts to which the Association is a party and contracts for work performed for the association within the immediately preceding two years;
- (m) Records of Board of Directors or DRC actions to approve or deny any requests for design or architectural approval from Owners;
- (n) Ballots, proxies, and other records related to voting by Owners for one year after the election, action, or vote to which they relate;
- (o) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of Owners or any class or category of Owners; and
- (p) All written communications within the last three years to all Owners.

#### **OWNER RIGHT TO INSPECT RECORDS**

Subject to the limitations stated below, the Association records must be available for examination and copying by an Owner or the Owner's authorized agent.

An Owner wishing to obtain any Record or the Records must submit a written request to the Association, describing with reasonable particularity the Record or Records sought, at least ten (10) calendar days prior to inspection or production of the documents. The request shall state whether the Owner wishes to physically inspect the Record or Records or wishes to have copies of them produced. The requirement that a request be stated with "reasonable particularity" means that the scope of a request shall be limited to a limited number of Records rather than simply a request for all Records.

To the extent that an Owner requests to physically inspect a Record or Records, the Association shall notify the Owner of a date, time, and place where such inspection may occur. The inspection may be limited to normal business hours or the next scheduled Board of Director meeting if the meeting occurs within thirty calendar days after the request.

#### **LIMITATION ON RECORD REQUESTS**

To the extent that an Owner requests that copies of a record or records be produced, the Owner shall designate whether the Owner wishes to receive the documents by photocopying or through a means of electronic transmission, if available. The Association may impose a reasonable charge for making copies of records. The charge will be up to \$50 per hour or fraction thereof for copying plus twenty (20) cents per page. The Association may require an Owner to pay the charge, or a deposit of the estimated amount thereof, in advance. The ten days' notice referenced in this Bylaw shall run from when the charge or deposit is paid, not from the date of the request. However, the Association shall provide the Owner with the amount of the charge or deposit amount within ten (10) calendar days following any request and the request shall be deemed made and received on the date the deposit is received.

A membership list or any part thereof may not be obtained or used by the Association for any purpose unrelated to an Owner's interest as an Owner without consent of the executive board. A request by an Owner for a membership list or any part thereof shall be accompanied by a statement of the purpose for the request so that the Association can ensure compliance with this provision. Without limiting the generality of the foregoing, without the consent of the executive board, a membership list or any part thereof may not be:

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

## **OTHER DOCUMENTS**

The Association may withhold Records from Owners to the extent that they are or concern:

- (a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
- (b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including fee agreements with legal counsel and legal invoices, even if the communication relates to action taken by the Board of Directors without a meeting;
- (d) Disclosure of information in violation of law;
- (e) Records of an executive session by the Board of Directors;
- (f) Individual units other than those of the requesting owner;
- (g) Personnel, salary or medical records relating to specific individuals;
- (h) Personal identification and account information of Owners and residents, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.
- (i) Personal identification and account information of Owners and residents, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers; except that an Owner or resident may provide the Association with prior written consent to the disclosure of, and the Association may publish to other Owners and residents, the person's telephone number, electronic mail address, or both. The written consent must be kept as a Record of the Association and remains valid until the person withdraws it by providing the Association with a written notice of withdrawal of the consent. If a person withdraws his or her consent, the Association is under no obligation to change, retrieve, or destroy any document or record published prior to the notice of withdrawal.

The Association is not obligated to compile or synthesize information for Owners. Records and the information contained within those Records shall not be used for commercial purposes. The Association may request reasonable information or assurances in writing from Owners prior to disclosing Records in order to ensure compliance with the stated limitations.

## **ARTICLE VIII: INDEMNIFICATION AND INSURANCE**

### **INDEMNIFICATION**

The Association, by resolution of the Board of Directors, may indemnify any director, officer, employee, or agent against any and all expenses (including attorney's fees) and liabilities necessarily incurred by him or her or imposed on him or her in connection with any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative, or investigative) to which he or she may be or is made a party by reason of being or having been such a director, officer, employee or agent; subject to the limitation, however, that there shall be no indemnification in relation to matters as to which it shall be proved that the act or omission of the director, officer, employee or agent was material to the cause of action adjudicated in the proceeding and was either (1) committed in bad faith or was the result of active and deliberate dishonesty, or (2) the director, officer, employee or agent actually received and improper personal benefit in money, property or services, or (3) in the case of any criminal proceedings, the director, officer, employee or agent had reasonable cause to believe that the act or omission was unlawful.

Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, judgments, penalties, fines, settlements and reasonable expenses (including witness travel expenses) incurred by such director, officer, employee or agent. The Association may pay or reimburse reasonable expenses in advance of the final disposition of the proceeding upon receipt by the Association of a written affirmation by a director of the director's good faith belief that the standard of conduct necessary for indemnification by the Association has been met.

The provisions of this Article shall be applicable to claims, actions, suits, or proceedings made or commenced after the adoption thereof, whether arising from acts or omissions to act occurring before or after adoption hereof.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which such director, officer, employee or agent may be entitled under any statute, bylaw, agreement, vote of the Board of Directors, or otherwise, and shall not restrict the power of the Association to make any indemnification permitted by law.

### **INSURANCE**

The Board of Directors may authorize the purchase of insurance on behalf of any director, officer, employee, or agent of the Association against any liability asserted against and incurred by him or her arising out of such person's position, whether or not the Association would have the power to indemnify such person against that liability under law.

If any part of this Article shall be found in any action, suit or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

## **ARTICLE IX: CONFLICTS OF INTEREST**

### **DEFINITIONS**

A "conflict of interest" arises when there is a contract, transaction, or other financial relationship between the Association and a director or officer, or between the Association and a party related to a director or officer, or between the Association, or a director or officer of the Association, and an entity in which a director or officer of the Association is a director or officer or has a financial interest in such entity. An example of a conflict of interest would be the Association hiring a director's or officer's company or the hiring of a director or officer to provide services.

A "party related to a director or officer" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or officer or a party related to a director or officer has a beneficial interest, or an entity in which a party related to a director or officer is a director, officer, or has a financial interest.

### **REQUIREMENTS IN EVENT OF CONFLICT OF INTEREST**

In the event a director or officer perceives a conflict of interest, he or she shall bring the matter promptly to the attention of the Association's Board of Directors. The director or officer that may have the conflict of interest shall then disclose all material facts as to the director's or officer's relationship or interest and reasons why or why not the transaction would be fair to the Association, and the conflict shall be noted in the minutes of the meeting.

A majority of the disinterested directors may then in good faith decide whether or not to authorize, approve, or ratify the transaction giving rise to the conflict of interest by affirmative vote, even though the disinterested directors are less than a quorum.

An interested director may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes, approves, or ratifies a transaction giving rise to a conflict of interest. An interested director or officer may address the Board of Directors concerning the issue in the same manner as any other Owner. Should more than one director or officer have a potential conflict of interest on the same or a related matter, the matter shall be determined by a vote of the Owners.

## **ARTICLE X: DISPUTES**

### **BOARD VOTE**

Any dispute between the Association and any Owner will be adjudicated by a majority vote of the Board of Directors.

### **MEDIATION**

Any controversy between the Association and an Owner may be submitted to mediation by agreement of the parties prior to the commencement of any legal proceeding. The mediation agreement, if one is reached, may be presented to the court as a stipulation. Either party to the mediation may terminate the mediation process without prejudice. If either party subsequently violates the stipulation, the other party may apply immediately to the court for relief.

## **ARTICLE XI: COVENANTS AND RULES**

### **REVIEW OF SUSPECTED VIOLATIONS**

The Association's Board of Directors will review all suspected violations of the governing documents coming to its attention and take appropriate action in its discretion. Before imposing a fine for any violation of the governing documents, the Association will provide notification and the opportunity for a hearing as described below. Nothing herein shall prevent the Association from taking enforcement action other than imposing a fine in any manner provided by law or in equity and at any time.

### **PERSONS NOT ENTITLED TO PARTICIPATE**

The following shall not be entitled to participate in any proceedings to review suspected violations:

- (a) the Owner suspected of the violation; and
- (b) any other Owner having a direct financial interest in the outcome.

An Owner shall not be deemed to have a direct personal or financial interest in the outcome if the Owner will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. Directors who are also Owners above described and who are not entitled to participate in the proceedings may nonetheless be counted in determining the presence of a quorum at a meeting of the Board of Directors to consider the suspected violation. However, but any such director will be recused and the remaining directors may take action even if they are less than a quorum.

### **NOTICE**

Before imposing a fine for any violation of the governing documents, a written complaint will be provided to the Owner generally describing the nature of the suspected violation. The Board of Directors shall give the Owner an opportunity for a hearing at a regular or special meeting of the Board of Directors. The notice may be given by any method reasonably calculated to provide the Owner with actual notice. The risk of non-delivery of notice is on the Owner. The notice may require a response by the Owner within a designated time not less than ten calendar days from the date of notice and the failure of the Owner to respond to the notice or cooperate in scheduling the hearing will be deemed a waiver of the opportunity for a hearing and fines may be imposed as determined by the Board of Directors.

### **FACTFINDING**

At any hearing to consider whether to impose a fine for a suspected violation of governing documents, the Board of Directors will employ a fair and impartial factfinding process concerning whether the alleged violation actually occurred and whether the subject Owner is the one who should be held responsible for the violation. As part of the factfinding process, the Board of Directors may consider any evidence that it deems relevant and need not have "proof" that the violation occurred if it finds it more likely than not that it occurred on the basis of the available

evidence. The decision by the Board of Directors will be final and binding. If it is determined that the Owner suspected of a violation should not be held responsible for the alleged violation, the Association shall not allocate to the Owner's account any of the Association's costs or attorney fees incurred in asserting or hearing the claim or impose any fines. The hearing process described in this policy will be treated as an arbitration under an arbitration agreement pursuant to the Colorado Uniform Arbitration Act, COLO. REV. STAT. § 13-22-201 et. seq.

### **FINE SCHEDULE**

The Board of Directors will determine whether any violation was a single occurrence or a continuing violation. In the case of a single occurrence, the Association may levy a fine of up to \$200 for a first violation of the rules, \$400 for a second violation of the rules, and \$600 for any subsequent violation of the rules by the same Owner. The Owner need not violate the same provision of the rules in order to be liable for repeat violations.

In the case of a continuing violation, meaning a violation that occurred and/or continues for more than one day, the Association may levy a fine of up to \$100 per day that such violation continued. If an Owner does not request a hearing, or if the Owner is determined to be in violation at the hearing, fines will be imposed retroactively to the date of the violation (not the date of the notice) unless otherwise determined by the Board of Directors.

In the special situation of cutting of live trees in violation of section 2.03 of the Declaration, the Owner may be fined up to \$200 per tree.

### **COLLECTION PROVISIONS**

Except as otherwise provided, all costs, including any attorney fees and costs, and including the fees and costs of any appeal, incurred by the Association to enforce the governing documents, and all imposed fines, shall be an Assessment subject to all collection powers of the Association.

### **REMEDICATION**

In addition to assessing fines, the Association may also undertake any action necessary to promote and protect the peace, health, comfort, safety and general welfare of the persons and property of the Owners of ENPHA.

At the direction of the Board of Directors and after proper notice is given to the property owner in compliance with Section 5.05 of the declaration, persons acting in behalf of the Association, shall be authorized to enter any Owner's property, not including the Owner's dwelling, to make necessary corrective action, including but not limited to: removal of dead or diseased trees, removal of downed trees and brush, or spraying of noxious weeds. All costs and expenses incurred by the corrective action will be billed to the respective Owner and such costs and expenses shall constitute a lien upon the Owner's property until paid.

## **ARTICLE XII: COLLECTION OF UNPAID ASSESSMENTS**

### **COLLECTION POLICY**

The Association adopts the following policy concerning collection of unpaid assessments pursuant to COLO. REV. STAT. § 38-33.3-209.5(1)(b)(I).

### **DEFINITIONS:**

The term "Assessment" refers to all fees, charges, late charges, attorney fees, fines, and interest imposed by the Association. Except as noted in the Collection Policy, all Assessments are treated the same.

The term "Regular Assessment" refers to the periodic payments due from each Owner to the Association and is commonly known as "dues".

The term "Special Assessment" refers to irregular payments due from each Owner to the Association from time to time, including fines for non-compliance of covenants

The term "Member in Good Standing" refers to an Owner who is current in the payment of dues, or other Assessments, charges, and fees.

### **COLLECTIONS**

While the Association is required to follow the Collection Policy, the Association's failure to comply with the Collection Policy shall in no event limit an Owner's liability for unpaid Assessments, which are at all times each Owner's responsibility. The imposition of fines is governed by a separate fine policy; however, once fines are imposed, they are subject to enforcement under the Collection Policy.

### **DUE DATE**

Each Regular Assessment must be paid to the Association on an annual basis on or before the last day of January. Each Special Assessment must be paid to the Association at a date to be fixed by the Association's Board of Directors at the time of imposing the Special Assessment.

### **DELINQUENT**

Each Regular Assessment will be considered past due and delinquent if not paid by the Owner on the due date of January 31st of each calendar year. Special Assessments will be considered past due and delinquent if not paid by the Owner by the due date.

### **LATE FEES**

The Association may impose late fees of \$100 per month for any payment that is past due and delinquent. A late fee for Regular Assessment for any delinquent account may be imposed on the March invoice.

### **INTEREST**

The Association is entitled to impose interest of 18% per annum or the highest amount of interest permitted by law, if less, on unpaid Assessments in addition to late fees. Interest will begin to accrue on the date the account is delinquent beyond thirty (30) days.

#### **HANDLING FEES**

The Association is entitled to impose a handling fee of \$25.00 after the 3rd invoice and attempt to collect the Assessment

#### **RETURNED CHECK CHARGES**

Any Owner whose check, draft, or order for the payment of money upon any bank, depository, person, firm, or corporation is not paid upon its presentment is liable to the Association as provided in COLO. REV. STAT. § 13-21-109. The bad check charge will be at least \$20 Nothing herein shall prevent the Association from referring the matter to the appropriate authority for criminal prosecution.

#### **BILLING AND NOTICE**

The Association will endeavor to send each Owner an annual statement. Sending statements is a courtesy only and does not affect an Owner's liability for unpaid Assessments, which are at all times the Owner's responsibility. Statements will be sent to the Owner's address, which if possible are reconciled with the Summit County Assessor's property records annually. Or, at the Association's election, to the electronic mail address of the Owner on file with the Association. Owners are responsible for making sure the Association has current billing information, including a mailing address and electronic mail address. The risk of non-delivery of notices is at all times on each Owner.

#### **PAYMENTS**

Payments may be made to PO Box 24419, Silverthorne CO 80497, or in such other place or manner as the Association may direct. If the Association has a managing agent, payment may be delivered directly to the Association's managing agent at its offices. However, to the extent that the Association accepts a payment delivered directly to the Association's managing agent, the payment will be deemed paid when actually deposited into the Association's account by the managing agent even if there is a delay that causes additional charges to accrue on the account.

### **NOTICE OF DELINQUENCY**

Before the Association turns over a delinquent account to a collection agency or refers it to an attorney for legal action, the Association, or its managing agent, will send the Owner at least one "Notice of Delinquency". This will include the possibility of a payment plan. The Association may send an Owner any number of Notices of Delinquency before proceeding with formal collection action without prejudice to its collection rights. Payments will be applied on each account as provided in the Notice of Delinquency and the Association's acceptance of less than the full amount owed shall never constitute accord and satisfaction or affect the Association's rights with respect to collection of the balance except as expressly acknowledged by the Association in writing.

### **REFERRAL TO COLLECTION AGENCY OR ATTORNEY**

If an Owner has not paid the full amount owed on a delinquent account within thirty (30) calendar days after the mailing of a Notice of Delinquency, the Association may turn over the account to a collection agency or refer it to an attorney for legal action. A delinquent Owner is liable for all collection and legal costs, including attorney's fees, with or without suit, and including the costs of appeal. The collection agency or attorney may pursue collection of the account using any means permitted by law, including appointment of a receiver.

### **FORBEARANCE**

The Board of Directors may, in its discretion, forebear enforcement of the Collection Policy, including entering into forbearance agreements with delinquent Owners, if it determines this to be in the best interest of the Association. No agreement is enforceable unless reduced to a writing signed by the Association and the Owner.

### **SUSPENSION OF VOTING RIGHTS**

An Owner who is not in Good Standing based on the nonpayment of dues or other Assessments shall have voting rights suspended unless otherwise determined by the Board of Directors in its discretion. The attendance of an Owner whose voting rights have been suspended may be counted toward the quorum at the Annual Owner's meeting.

### **BANKRUPTCY**

If any Owner files bankruptcy, the Owner will not be personally responsible for Assessments accruing before the Owner filed bankruptcy, but will remain responsible for all Assessments accruing after the Owner filed bankruptcy. A bankruptcy filing shall not affect the Association's right to claim a lien for the entire amount of unpaid Assessments against a unit. The Association may immediately turn the matter over to its attorney upon receipt of notice that an Owner filed bankruptcy.

## **LIENS**

The Association has a statutory lien on each unit for the full amount of any Assessment that is due and remains unpaid. The lien may include assessments, fees, fines, interest, late fees and attorney's fees.

The Association is not required to record a special notice of its lien in the public records, but it may do so and the delinquent owner will then be responsible for any filing fees in addition to any other charges on the account. The lien can be foreclosed to satisfy the debt. However, the Board of Directors must formally authorize, by a recorded vote, to the filing of any type of legal action against an Owner on an individual basis. For purposes of this provision, a "recorded vote" is one in which the individual votes of the Board of Directors for the resolution or motion, or the fact that the vote was unanimous, are reflected in the records of the Association. The members of the Board of Directors may vote concerning such resolution or consent by any means and are not required to personally sign any document to record their vote.

## **ASSIGNMENT OF COLLECTION RIGHTS**

The Association may assign its collection rights to any person and that person will then have all rights and responsibilities of the Association with respect to the assigned rights. Assessments accruing after the date of any such assignment will be paid to the Association in the normal course and the Association will retain all collection rights with respect to them such that an Owner may be delinquent with regard to paying Assessments to the assignee and current with regard to paying Assessments to the Association. Once the Association assigns its collection rights, the Owner must deal directly with the assignee with respect to the Assessments assigned. The Association may, but shall not be required to, enter into "standby" agreements whereby it agrees not to take enforcement action with respect to new assessments until an assignee completes enforcement with respect to assigned assessments. Enforcement of new assessments and assigned assessments may also take place concurrently and the Association and the assignee may assert concurrent enforcement rights in a single enforcement action coordinated by them subject to an agreement concerning the final disposition of proceeds. The arrangements between the Association and any assignee will not affect an Owner's rights or obligations with respect to unpaid Assessments and are therefore not subject to challenge by Owners.

## **BUSINESS JUDGMENT**

The Association is not bound to decisions with respect to one set of facts and circumstances when it comes to its decisions with regard to another set of facts and circumstances concerning the enforcement of the Collection Policy. The Association's actions are governed by the business judgment rule, which holds that good faith acts of the directors of the Association that are within the powers of the Association and exercise of honest business judgment are valid.

### **ARTICLE XIII: WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Colorado Nonprofit Corporation Act, or otherwise, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the event or other circumstance requiring such notice, shall be deemed equivalent to the giving of such notice.

## **ARTICLE XIV: AMENDMENTS**

The Board of Directors may adopt or amend policies, procedures, and rules as it deems necessary, desirable or appropriate with respect to the interpretation and implementation of the governing documents of the Association and the operation of the Association. Upon adopting any policy, procedure, or rule, the Board of Directors shall provide notice to the Owners of the general topic, if not the full substance. Any Owner may then request a full copy of the same under the separate records policy.

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the directors present at any meeting of the Board of Directors at which a quorum is present. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.