

**GOVERNANCE POLICIES**

**OF**

**RACQUET CLUB OWNERS**  
**ASSOCIATION**

Adopted and Effective August 11, 2017

## TABLE OF CONTENTS

1.	INTRODUCTION AND DEFINITIONS.....	1
2.	INSPECTION AND COPYING OF ASSOCIATION RECORDS .....	2
3.	COVENANT AND RULE ENFORCEMENT POLICIES .....	3
4.	POLICIES AND PROCEDURES ON DISPUTES BETWEEN OWNERS AND THE ASSOCIATION .	6
5.	BOARD MEMBER CONFLICTS OF INTEREST AND CODE OF ETHICS.....	7
6.	CONDUCT OF MEETINGS .....	9
7.	COLLECTION OF UNPAID ASSESSMENTS .....	12
8.	RESERVE STUDY AND FUNDING POLICIES.....	16
9.	INVESTMENT OF RESERVES POLICY .....	16
10.	ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, RULES, REGULATIONS OR GUIDELINES.....	18

**GOVERNANCE POLICIES  
OF  
RACQUET CLUB OWNERS ASSOCIATION**

**1. INTRODUCTION AND DEFINITIONS**

Purpose. These Governance Policies are in addition to and supplement the law of the State of Colorado governing the community and the terms and provisions of the Declarations, the Bylaws and the Articles of Incorporation of the Association.

Definitions. Unless otherwise defined, initially capitalized or terms defined in the Declarations may have the same meaning in these policies.

Deviations. The Association/Board may deviate from these policies.

## **2. POLICIES ON THE INSPECTION AND COPYING OF ASSOCIATION RECORDS**

### Access to Records

- The records set forth in this policy and in state statutes are to be made “reasonably available” for inspection and copying by a Member or the Member’s authorized agent.
- A purpose, of the owner requesting inspecting or copies of records to which they have access, is not required. No required or proper purpose is based on state statutes and despite any conflicting purpose requirements in the governing documents.
- “Reasonably available” means available during normal business hours after written request of at least 10 days or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request.
- The written request is to describe the records sought with reasonable particularity.
- The Board may require that requests be submitted on the form attached to this policy.
- Upon receipt of a request, the Association is to make an appointment with the Owner, at a time convenient to both parties (subject to the requirements above), to conduct the inspection.
- Unless otherwise agreed, all records are to be inspected at the offices of the Association.
- All appointments for inspection will be limited to business hours, 9:00 a.m. to 4:00 p.m., Monday through Friday.
- At the discretion of the Association manager, records will be inspected only in the presence of a management employee or other person designated by the manager.
- During inspection, an Owner may designate pages to be copied with a paperclip, post-it note or other means provided by the Association.
- The Owner is responsible for paying the total copying cost prior to receiving the copies. Copies will be made at a cost based on the standard schedule of fees charged by the Association, which charges may include reasonable retrieval costs for off-site files.
- Owners requesting copies of Association records are responsible for all actual costs incurred by the Association, including the cost to search, retrieve, and copy the record(s) requested.
- Costs for copies, for record retrieval, and for any other costs that may be incurred as a result of responding to an Owner’s record request may be set by the Board or the Association’s Manager, from time to time, at their discretion.
- Records may not be removed from the office in which they are inspected without the express written consent of the manager.

## Records to be Maintained

- In addition to any records specifically required by the Association’s Declaration or Bylaws, the Association is to maintain the following records:
  - detailed records of receipts and expenditures affecting the operation and administration of the Association
  - minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board without a meeting (i.e., by written ballot or written consent in lieu of a meeting), and a record of all recommendations issued by a committee of the Board
  - 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 the Association’s Bylaws or Colorado law
  - records of claims for construction defects and amounts received pursuant to settlement of those claims
- the names of Members in a form that permits preparation of a list of names and physical mailing addresses of all Members (“Membership list”)
- the current Articles of Incorporation, Declaration, Covenants, Bylaws, Rules and Regulations, responsible governance policies required pursuant to Colorado law, and any other policies adopted by the Board
- annual financial statements for the past three years
- financial statements, to the extent available, showing, in reasonable detail, the Association’s assets and liabilities and results of its operations for the past three years
- tax returns for the past seven years, to the extent available
- a list of the names, electronic mail addresses and physical mailing addresses of its current directors and officers
- its most recent annual report delivered to the Secretary of State
- financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act
- the Association’s most recent reserve study, if any
- current written contracts to which the Association is a party
- written contracts for work performed for the Association within the immediately preceding 2 years
- records of Board or committee actions to approve or deny design or architectural approval from Members
- ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate
- resolutions adopted by the Board relating the characteristics, qualifications, rights, limitations, and obligations of Members or any class of Members
- written communications within the past three years to Members generally as Members

- the following additional information as required by C.R.S. 38-33.3-209.4 as part of the Association's annual disclosures:
  - the date on which the fiscal year commences
  - the operating budget for the current fiscal year
  - a list, by type, of the Association's current assessments (regular and special)
  - the annual financial statements, including any amounts held in reserve, for the fiscal year immediately preceding the current annual disclosure
  - the results of the most recent available financial audit or review, if any
  - a list of all Association insurance policies, including company names, policy limits, policy deductibles, additional named insureds, and expiration dates

The records in this section are the sole records of the Association to be maintained and to be available for inspection.

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

Creation of Records. Nothing contained in these policies may be construed to require the Association to create records that do not exist or compile records in a particular format or order.

Restrictions on Uses of HOA Records.

- No Member may use Association records or allow Association records to be used for commercial purposes.
- Membership list may not be:
  - used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association
  - used for any commercial purpose
  - sold to or purchased by any person
  - used for any purposes unrelated to the Member's interest as a Member, or
  - used for any other purpose prohibited by law
- Any Member requesting a Membership list may be required to sign the agreement attached to this policy indicating that he/she will not use the list for the purposes stated above.

- The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a commercial purpose.

HOA Records that may be withheld from Inspection or Copying. Pursuant to Colorado law, the following records may be withheld from inspection and copying to the extent that such records are or concern:

- architectural drawings, plans, and designs, unless the legal owner of such drawings, plans, or designs provides written consent to the release
- contracts, leases, bids or records related to transactions to purchase or provide goods or services that are still in or under negotiation
- communication with legal counsel protected by the attorney-client privilege or the attorney work product doctrine
- disclosure of information in violation of law
- records of an executive session of the Board
- records related to an individual owner other than the Members

HOA Records – Not Available for Inspection or Copying. Pursuant to Colorado law, the following records are not subject to review, inspection and/or copying and will be withheld from any inspection:

- personal identification and account information of Members, including:
  - bank account information
  - telephone numbers
  - electronic mail addresses
  - driver's license numbers
  - social security numbers
  - vehicle identification information
  - personnel, salary, or medical records related to specific individuals

Supplement to Law. This policy is in addition to and in supplement of the terms and provisions of the Declarations and the law of the State of Colorado governing the community.

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

Definitions. Unless otherwise defined, initially capitalized or terms defined in the Declarations may have the same meaning in this policy.

**RACQUET CLUB OWNERS ASSOCIATION**  
**Request for Access to Association Records**

Member Name: \_\_\_\_\_ Date: \_\_\_\_\_

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

Telephone #: \_\_\_\_\_

I request that Racquet Club Owners Association, Inc. provide access to the records of the Association.

I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

The records that I wish to review are (attach a separate piece of paper if necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I acknowledge and accept the Association's records inspection policy.

I acknowledge and accept that the records of the Association will be made available to me only at such time and place as the Association's policy provides, and that there may be a cost associated with providing copies of these documents for me.

I agree to pay any costs associated with copying these documents.

In the event the records provided to me by the Association are used for any commercial purposes, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I will be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Member Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Agreement Regarding Use of the Membership List of the  
Racquet Club Owners Association**

Member Name: \_\_\_\_\_ Date: \_\_\_\_\_

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

Telephone #: \_\_\_\_\_

I have requested a copy of the membership list.

The list is to be used only for the following purpose(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that under the terms of Colorado law, the Membership or voting list may not be obtained or used for any purpose unrelated to my interests as a Member of the Association.

I further understand and agree that without limiting the generality of the foregoing, the membership list, or any part, may not be:

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

In the event the list is used for any improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I will be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Understood and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ .

Member Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## **Email Communication Policies**

*The Association's Board of Directors recognizes the limitations involved with email correspondence, and due to the increased burden to the Board posed by email correspondence, the Association enacts the following policies and procedures:*

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

- The Board is to endeavor to limit action outside of a meeting, but at times action needs to be taken between Board meetings.
- If the Board feels a decision needs to be made outside of a Board meeting and the vote is to be taken by email, a Board member or managing agent is to state the motion or issue in an email, which is to be sent to all Board members, with a copy to the Association's primary record keeper.
- Action of the Board taken without a meeting must be in compliance with applicable provisions of the Bylaws.
- Board members are asked to respond to the email so that all may see the vote and a chain is created.
- The purpose of this procedure is to assist the record keeper in determining which email correspondence relates to actions taken outside of a meeting.
- Failure to strictly follow this procedure will not negate or invalidate the action, particularly if the action is affirmed at a meeting of the Board.

**Email Communication between Board Members.** All Board members are to be included on email discussions regarding Association business which would result in policy decisions or Board action being taken outside of a regular Board meeting, unless conflicts of interest dictate otherwise.

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

- Only an authorized officer is authorized to speak for the Board of the Association.
- The Board has designated the Manager or the President, or in the absence of the President, the Vice President to respond to the Owner on behalf of the Board as a whole.
- No individual Board member is authorized to speak for the Board as a whole.
- No individual Board member is authorized to communicate with residents on behalf of the Board regarding community business via email.
- Persons who submit an inquiry to an individual Board member are to be directed to submit their concerns and/or questions to the manager for coordination by the manager and/or for inclusion on the agenda at the next Board meeting.
- The Board may designate additional persons to respond to the Owner on behalf of the Board as a whole.

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

Supplement to Law. This policy is in addition to and in supplement of the terms and provisions of the Declarations and the law of the State of Colorado governing the community.

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

Definitions. Unless otherwise defined, initially capitalized or terms defined in the Declarations may have the same meaning in this policy.

### **3. COVENANT AND RULE ENFORCEMENT POLICIES**

Reporting Violations to the Association. Complaints regarding alleged violations may be made by submission of a written complaint from an Owner or resident within the community, a group of Owners or residents, the Association's Manager or staff, Board member(s) or committee member(s).

Rule Distribution. The Association distributes rules to Owners on a periodic basis. Rules are also posted on the Association's website.

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

Complaints by a Board member, a committee member, the Manager or staff, may be made in writing or by any other reasonable means.

Investigation of Complaints made to the Association. If additional information is needed, the complaint may be returned to the Complainant or may be investigated further at the Association's and Manager's sole discretion, by an individual or committee.

Initial Notice, Fine or Warning Letter from the Association. If a violation is determined to exist, an initial notice, fine or warning letter may be sent to the alleged Violator. This letter may also explain the nature of the violation. If the letter includes a fine, then the letter shall (a) provide notice and an opportunity for a hearing, explaining if a violation is found to exist, a fine may be imposed pursuant to this policy, (b) at the Association's discretion, the letter may also set forth the date and time for the hearing or advise that the alleged Violator may request a hearing within a certain number of days of the date of the letter, and (c) the letter may inform the recipient that they need not attend the hearing if they come into compliance, accept and pay the fine.

Notice of Hearing May be Given. If a hearing is set by the Association or timely requested by the alleged Violator, the Board, committee or other person conducting such hearing may serve a written notice of the hearing to all parties involved prior to the hearing date.

Hearings before the Association. Hearings may be held by the Board, a committee or by a person, as designated by the Board or the Manager. At the beginning of each hearing, the presiding officer, may introduce the case by describing the alleged violation and the procedure to be followed during the hearing.

- Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement.
- The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances, at his/her sole discretion.
- Neither the Complainant nor the alleged Violator is required to be in attendance at the hearing.
- The Board may base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing.
- Unless otherwise determined by the Board, all hearings may be open to attendance by all Owners.
- After all testimony and other evidence has been presented at a hearing, the hearing officer or body shall, within a reasonable time, render written findings and decisions, and impose a fine, if applicable.
- A decision, either a finding for or against the Owner, may be by a majority of the hearing body.
- Failure to strictly follow the hearing procedures set forth above is not grounds for appeal of the hearing committee's decision, absent a showing of denial of due process.

Failure to Appear at, or Timely Request, a Hearing before the Association. If the alleged Violator:

- fails to attend a scheduled hearing;
- fails to request a hearing within the number of days identified in a letter (if given the opportunity by the Association at its discretion); or
- fails to request a hearing within 10 days of a letter (if the hearing date and time and the time to request a hearing is not set forth in a letter to the Violator);

the Association may impose a fine and make other decisions with respect to the alleged violation based on the Complaint and other relevant information. A formal hearing is not required to be held.

Notification of Decision of the Association. The decision of the hearing officer or body may be in writing, is to be provided to the Violator and may also be provided to the Complainant, within a reasonable time after the decision.

Subsequent Violations – After Initial Warning Letter from the Association. If the alleged Violator does not come into compliance within the number of days identified in the first warning letter, or accepts and pays a fine without correcting the violation, this will be considered a second violation for which an additional fine may be imposed (following notice and opportunity for a hearing). Subsequent violations are to be noticed, consistent with the initial notice provision set forth above. Subsequent covenant violations may be turned over, at the Association’s discretion, to the Association’s attorney to take appropriate legal action.

Fine Schedule of the Association. The following fine schedule has been adopted:

- First violation -- Warning letter or fine, as determined by the Board or Manager.
- Second violation (of same covenant or rule) -- Fine, as determined by the Board or its or its Manager.
- Third and subsequent violations (Of same covenant or rule) -- Fine, as determined by the Board or its Manager.
- Any violation may also be turned over to the Association’s attorney for appropriate legal action.

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

Fines as Assessments/Late Charges on Fines. All fines shall constitute and be due and payable as an assessment on the Violator’s unit and the personal obligation of the Owner(s) of said unit. All fines shall be due and payable within 10 days of the date of the letter notifying the Violator of the decision of the Association imposing the fine. If any fine is not paid within 10 days after the due date, a \$50 late charge will be assessed. The late charge shall be and is a “common expense” for and personal obligation of each delinquent Owner. All such late charges shall be due and payable immediately, without notice, in the manner provided by the Governing documents, including, but not limited to, the Bylaws and these policies, for payment of assessment.

Other Enforcement Means of the Association. The fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association

through its Governing Documents including, but not limited to, the Declarations, Bylaws, rules, regulations, policies, and guidelines, and state and federal law. The use of this process does not preclude the Association from using any other enforcement means, including:

*Legal Action.* The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the Governing Documents with or without notice as described above.

*Individual Purpose Assessments/Specific Assessments/Default Assessment.* In addition to fines, the Board may levy an Individual Purpose Assessment/Specific Assessment/Default Assessment against any Owner and Owner's Unit. That assessment may be to reimburse the Association for costs incurred in bringing an Owner into compliance with the Governing Documents.

*Self-help Remedies.* The Association or its duly authorized agents shall have the power to enter any Unit or Common Elements to abate or remove any structure, thing or condition that violates the Governing Documents using such force as may be reasonably necessary. If the Association exercises its right subject to this paragraph, all costs of self-help, may be assessed against the Owner's Unit and may be a lien on the Owner's Unit.

*Alternative Dispute Resolution Procedures.* Alternative methods of dispute resolution are encouraged. The Association encourages Owners or residents with disputes to resolve such disputes without court proceedings. The Association generally prefers to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to legal counsel at their own expense.

#### **4. POLICIES ON DISPUTES BETWEEN OWNERS AND THE ASSOCIATION**

Required dispute resolution procedure for Owner disputes with the Association/Notice to the Association. Prior to filing a lawsuit against the Association, the Board, or any Officer, Director, or Manager of the Association, an Owner must:

- Send a written demand on the matter desired to be included in their lawsuit or claim against the Association; and
- Request a meeting with the Board of Directors or Manager. Any such request shall be in writing and shall be mailed or personally delivered to the Association's Manager at the Association's main office and address.

#### Association Opportunity to Respond/Meeting

The Owner must allow the Association the opportunity to resolve the claim/dispute in an amicable fashion in not less than 90 days. The Board should schedule this meeting for a date not less than 120 days from the date of receipt of the request. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but shall not be required to do so.

Discretionary Dispute Resolution Procedures. The procedures set forth below may be used in disputes between Owners and the Association, and between Owners and other Owners or residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.

*Negotiation.* A request for dispute resolution by negotiation may be initiated by an Owner or the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be mailed or personally delivered to the address of the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution for not less than 120 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

*Mediation.* If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 45 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

## **5. BOARD MEMBER CONFLICTS OF INTEREST AND CODE OF ETHICS**

General Duty of the Board of Directors. The Board of Directors shall use its best efforts, at all times, to make decisions that are consistent with high principles and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declarations, the Association's Articles, Bylaws, Rules and Regulations, Policies, and Guidelines, if any, and applicable laws.

Definition of "Conflict of Interest." A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board would financially benefit or be to the private gain of: (i) a Director; (ii) a parent, grandparent, spouse, child, or sibling of the Director; (iii) a parent or spouse of any of the persons in subsection (ii); or (iv) an entity in which a Director is a director or officer or has a financial interest.

Disclosure of Conflict. Any conflict of interest on the part of any Director may be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the Director may participate in the discussion but may not vote on the matter, unless the transaction is fair to the Association, as allowed by state law. The minutes of the meeting may reflect the disclosure made, any abstention from voting, the composition of the quorum, and who voted for and against the matter.

Code of Ethics. In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

- Directors shall not use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
- Contributions to political parties or political candidates shall not be made by the Association.
- Directors shall not solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan, or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
- Directors shall not accept a gift or favor made with intent of influencing decision or action on any official matter.
- Directors shall not receive any compensation from the Association for acting as a volunteer.
- Directors shall be reimbursed for personal expenses, as approved by the Board or its Manager.
- Directors shall not willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.
- Directors shall not knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.
- Directors shall not interfere with a contractor engaged by the Association while a contract is in progress.
- All communications with Association contractors shall go through the Manager or staff.
- Directors shall not harass, threaten, or attempt through any means to control or instill fear in any member, Director, employee or agent of the Association.
- No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
- Language and decorum at Board meetings will be kept professional.
- Personal attacks against owners, residents, the manager, staff, service providers, and Directors are inappropriate and are not consistent with the best interests of the Community.

## 6. CONDUCT OF MEETINGS

Conduct at Member Meetings. All Member meetings may be governed by the following:

- The President of the Association or a designee shall chair all Owner meetings.
- All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate.
- If there is a sign in list provided, 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.
- Anyone wishing to speak must first be recognized by the Chair.
- Only one person may speak at a time.
- Each person who speaks shall first state his or her name and Unit address.
- 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.
- Owners may be limited to a 3 minute presentation, based on the number of Owners that appear to be interested in speaking on that issue.
- Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these policies are followed.
- Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting.
- Comments are to be relevant to the purpose of the meeting.
- The Board may decide, in its sole discretion, whether or not to answer questions during the meeting.
- No meeting may be audio, video or otherwise recorded except by the Board, at its sole discretion, to aid in the preparation of minutes.
- Yielding of time by a speaker to another individual is not permitted.
- Time limits may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.
- All actions and/or decisions require a motion and a second.
- Once a vote has been taken, there will be no further discussion regarding that topic.
- Minutes of actions taken shall be kept by the Association.
- A member is in good standing and entitled to vote at a member meeting if they are current on all assessments and other charges of the Association on their account.
- Anyone disrupting the meeting, as determined by the Chair or the Board, in their discretion, shall be asked to “come to order.”
- Anyone who does not come to order may be requested to immediately leave the meeting and may be escorted out of the meeting.
- The Chair or the Board may establish, in their discretion, such additional reasonable rules of order or procedures.

Conduct at Board Meetings. All Board meetings may be governed by the following rules of conduct and order:

- The President of the Association or a designee shall chair all Board meetings.

- All members who plan to attend a meeting of the Board are requested to contact the Association's manager, and may then be added to the agenda.
- If an Owner desires to attend a Board meeting and has not contacted the Manager in advance or has not been added to the agenda, the Owner may first be required to sign in, listing their name and unit address.
- Any Owner wishing to speak during the Owner forum is requested to so indicate at the time of check-in or at a designated time during the meeting.
- All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during any Owner forum at the beginning of the meeting or another designated time during a meeting.
- Anyone wishing to speak must first be recognized by the Chair.
- Only one person may speak at a time.
- Each person who speaks shall first state his or her name and Unit address.
- 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.
- Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting.
- Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
- Comments are to be relevant to the purpose of the meeting.
- Each person may be given up to a maximum of 3 minutes to speak or to ask questions, although questions may not be answered until a later date.
- Each person may only speak once during the owner forum and as recognized by the Chair.
- Yielding of time by a speaker to another individual is not permitted.
- The time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.
- The Board may decide, in its sole discretion, whether or not to answer questions during the meeting.
- No meeting of the Board may be audio, video or otherwise recorded except by the Board, at its sole discretion, to aid in the preparation of minutes.
- Minutes of actions taken shall be kept by the Association.
- Anyone disrupting the meeting, as determined by the Chair or the Board, in their discretion, shall be asked to "come to order."
- Anyone who does not come to order may be requested to immediately leave the meeting and may be escorted out of the meeting.
- The Chair or the Board may establish, in their discretion, such additional reasonable rules of order or procedures.

Conduct at Meetings of the Board by Conference Call. Conference call Board meetings, in addition to the above, may be subject to the following rules of conduct and order:

- The President may require each person to identify themselves as they speak.
- Only persons identified may be a part of the conference call.
- Conference call instructions may be obtained from the Manager.

- All persons on the conference call should be able to hear others.
- If the conference call format is too burdensome, as the President determines, the meeting may be adjourned.

Right to Attend and Participate. Owners have a right to attend and, also, to participate in Board meetings, as set forth in these policies.

Notice for/of Member Meetings/Posting. In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted at the clubhouse or at or near the front entry of the location of the meeting. Notice may be posted prior to each meeting. The Association does not have capacity to provide notice via email to every Owner. The Association may notify by email those Owners for whom it has an email address.

Notice for/of Member Meetings/Website. The Association shall post notice on its website of all member meetings. Such notice shall be posted 7 days or in a reasonable time prior to such member meeting.

Voting at Member Meetings. Election of Board members shall be conducted by secret ballot for contested elections (where more candidates are running than there are positions available). Where secret balloting is used, each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, and if the proxy is not rejected for any of the reasons set forth below, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy.

All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors or Chair of the meeting, including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

Written ballots shall be counted by a neutral third party, excluding Owner(s) who are candidates and excluding Board members. The Chair may specify the procedure for selecting these volunteers.

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

Proxies for/at Member Meetings. Proxies may be given by any Owner and are expressly allowed by Colorado Revised Nonprofit Act. All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- Validity of the signature
- Signatory's authority to sign for the unit owner
- Authority of the unit owner to vote
- Conflicting proxies

- Expiration of the proxy

The Association may, in its sole discretion, reject any proxies (a) that are nonconforming, (b) appearing to have been obtained by fraud or misrepresentation, (c) for which the Secretary of the Association or the Secretary's designee, acting in good faith, has a reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the unit owner, or (d) for any other proper basis.

## **7. COLLECTION OF UNPAID ASSESSMENTS**

Due Dates for Sums Due from Owners. The monthly installments of the annual assessment are due monthly in advance and payable on the 1<sup>st</sup> day of each month. Assessments or other charges not paid in full to the Association on or before the 1<sup>st</sup> day of the subsequent month are past due and delinquent. Delinquent assessments or other charges may incur late fees and interest as provided below.

Receipt Date. The Association will use its best efforts to post payments within a reasonable time following the date a payment is received in the Association's office.

Acceleration and Deceleration of Assessments. The Association reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account. Such acceleration will result in the entire unpaid annual assessment being due to the Association immediately. The Association also reserves the right to decelerate an accelerated assessment.

Vote Suspension. The Association suspends, without further notice, the voting rights of any Owner whose account is past due at the time of such voting.

Late Charges and Fees. The Association may impose, on a monthly basis, a late charge in an amount as determined from time to time by the Board, in its sole discretion, for any failure to make payment within 30 days of the due date. This late charge is a "common expense" for each delinquent Owner.

Interest. The Association may impose interest from the date due at the rate of 12% per annum on the amount owed if payment is not made within 30 days of the due date.

Personal Obligation for Late Charges. Assessments, late charges, interest and other fees of the Association are the personal obligations of the Owner(s) of the unit. All sums due the Association are due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth in these policies and procedures) for payment of assessments.

Notice to Owner before Referral for Collection. After payment is not received, within 60 days after the due date, the Association must send a notice to the Owner. The notice must inform the Owner

- of the total amount due
- account for the total amount due
- that a notice of assessment lien (in addition to the lien established by the Declaration and recognized by state statutes) may be recorded against the property of the Owner
- whether the opportunity to enter into a payment plan exists (as provided in this Policy)
- how the Owner may contact the Association to enter into a payment plan (if a payment plan is available)
- of the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt
- that a lien is in place on the Owner's property, as provided under the Declaration and State law
- that payment is required to cure the delinquency
- that failure to pay within 30 days may result in the Owner's delinquent account being turned over to the attorneys for the Association or a collection agency
- that a lawsuit on the Owner's promise to pay, a foreclosure of the Association's lien, or both, may be filed against the Owner
- that other remedies available under Colorado law may be sought by the Association

Payment Plans with the Association as Arranged by the Association or its Managing Agent.

- The Association, itself or through its managing agent, will make a good faith effort to coordinate with the Owner to set up a payment plan.
- An Owner may enter into a payment plan to pay off a deficiency in equal installments over a minimum period of six months or such longer period as authorized by the Board of Directors and/or managing agent.
- If a payment plan is offered to an Owner by the Association, the Owner shall have a reasonable time not to exceed 30 days to accept or reject the payment plan.
- If the Owner accepts the payment plan yet fails to comply with the terms of the payment plan (fails to remit payment of an agreed-upon installment or fails to remain current with regular assessments as they come due during the payment plan term), the Association may pursue legal action.
- The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan. Further, the Association is not obligated to enter a payment plan if the Owner does not occupy the unit and has acquired the property as a result of a default of a security interest encumbering the unit or foreclosure of the Association's lien.

Recording of Notice of Lien. If payment in full is not received within 60 days after the due date, the Association, its managing agent, or attorneys may cause a Notice of Lien to be filed.

Referral for Collection

- If payment, in full, is not received within 60 days after the due date, the Association or managing agent of the Association may turn the delinquent account over for collection.
- Once referred to the Association's attorneys or collection agent for collection, the entire account of that Owner is referred, including sums to accrue, until the entire account is paid in full or the account is settled and has a zero balance.
- All sums collected on a delinquent account that has been turned over for collection are to be remitted to the Association's attorney or collection agent until the account is brought current.
- All payment plans involving accounts referred for collection will be set up and monitored through the attorney or collection agency in consultation with the Association.

#### Remedies.

- Lawsuits on Promise/Covenant to Pay. The Association may pursue a lawsuit against an Owner who has sums due the Association, based on the covenant (or promise) to pay the Association as set forth in the Declaration.
- Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to other remedies, as provided for in this Policy.
  - The purpose of foreclosure by the Association is to obtain payment of all assessments owed.
  - If the Association forecloses on its lien, the Owner may lose title to the property.
    - The Association will not commence a foreclosure action unless the balance of the assessments and charges secured by its lien (which may include late fees, fines and other charges) equals or exceeds six months of common expense assessments based on the Association's periodic budget.
    - Prior to filing a foreclosure lawsuit, the Board must resolve, by a recorded vote, to authorize the filing against the particular unit, on a specific basis.
- Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law.
- General. The Association is entitled to all of the remedies available to it under the Declaration and Colorado law.

Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this

Policy, a reasonable fee, not to exceed \$20.00 may be assessed against an Owner in the event any check or other instrument attributable or payable for the benefit of the Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. The Association is entitled to all additional remedies provided by applicable law.

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

Application of Payments. All payments received on account of any Owner or the Owner's property may be applied as determined by the Association's attorneys. Alternatively, payments may be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to the Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations or this Policy, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

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

Use of Certified Mail/Regular Mail. In the event the Association may cause a collection or demand letter or notices to be sent to a delinquent Owner (other than monthly statements and other routine notices), the letters or notices may be sent by registered, certified, or first class mail.

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

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

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

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

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

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

## **8. RESERVE STUDY AND FUNDING POLICIES.**

Purpose of the Reserve Fund. The purpose of the Reserve Fund is to fund and finance the projected repair and replacement of those portions of the community that the Association is responsible for and for such other funding as the Board of Directors may determine.

Reserve Study Policy. The Association is not required under the Governing Documents to have a reserve study. The Association has determined to establish policies on reserve studies as follows:

- The Association may cause a Reserve Study, if any, to be reviewed and updated periodically at the sole discretion of the Board.
- The Association may have any reserve study updated or revised by a third-party reserve specialist, by the Association's Manager or another party designated by the Board at its sole discretion.
- Reserve studies and updates or revisions may or may not be based on a physical examination of the community by the person preparing the reserve study as determined by the Board in its sole discretion.

Reserve Funding Policy. The Association has determined to establish policies on funding as follows:

- Funding may be based on a financial analysis by the Board, a professional reserve specialist, by the Association's Manager, or another party, and may be performed without a financial analysis as determined by the Board in its sole discretion.
- Funding for reserves is planned and projected to be by an assessment of the Owners, as determined from year-to-year, by the Board, or from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) annual assessments of owners, (3) special assessments of owners, (4) a loan as may be obtained by the Association, and/or (5) any combination of the above.

## **9. INVESTMENT OF RESERVES POLICY**

Investment of Reserves. The Board may invest funds held in the Reserve Fund account to generate revenue pursuant to the following goals, criteria and policies, listed in order of importance:

- *Safety of Principal and Return.* Promote and ensure the preservation of the Reserve Fund's principal.

- *Liquidity and Accessibility.* Structure maturities to ensure availability of operating funds and reserve assets for projected or unexpected revenue and expenditures.
- *Minimal Costs.* Minimize investment costs (redemption fees, commissions, and other transactional costs).
- *Diversify.* Mitigate the effects of interest rate volatility upon reserve assets.

Limitation on Investments. Unless otherwise approved by the Board, all investments may be FDIC (Federal Deposit Insurance Corporation) insured, and/or guaranteed by the United States Government.

Investment Strategy. The investment strategy of the Association may emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio. .

Independent Professional Investment Assistance. The Board may hire a qualified investment counselor to assist in formulating a specific investment strategy.

Review and Control. The Board may review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and may make prudent adjustments as needed.

Investment Decisions. Consistent with state law, investment decisions of the Board are to be made based on the standard of care outlined in the Colorado Revised Nonprofit Code. This standard of care require directors to act: in good faith; with the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and in a manner the director or officer reasonably believes to be in the best interest of the association. In discharging their duties, directors and officers may rely on other people on matters that the directors or officers reasonably believe are within that person's professional or expert competence.

**10. ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, RULES, REGULATIONS OR GUIDELINES**

Scope. The Board of Directors may, from time to time, adopt or amend certain policies, procedures, rules, regulations or guidelines. Those documents may be as deemed necessary or desirable to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or otherwise.

Adoption Procedure. The Board may adopt any policy, procedure, rule, regulation or guideline at any time. Upon adoption, the provisions, including the effective date, shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the Association's website or mailing.

Policy Book. The Board may keep copies of any and all adopted policies in a book designated as a policy book. The Board may further categorize policies, Procedures, Rules and Regulations, Resolutions and Guidelines but is not required to do so.

**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS OF THE RACQUET CLUB OWNERS ASSOCIATION**

I have requested to inspect and/or obtain copies of the following records for the RACQUET CLUB OWNERS ASSOCIATION (be as specific as possible): \_\_\_\_\_

\_\_\_\_\_

The records shall be used for the following purpose(s) only: \_\_\_\_\_

\_\_\_\_\_

I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

- 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 held by the Association
- Used for any commercial purpose
- Sold to, otherwise distributed to, or purchased by any person
- Any other purpose prohibited by law, or
- Any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

Understood and agreed to by:

\_\_\_\_\_  
Homeowner

Date: \_\_\_\_\_

\_\_\_\_\_  
Homeowner

Date: \_\_\_\_\_

\_\_\_\_\_  
Address  
\_\_\_\_\_