

**RESPONSIBLE GOVERNANCE PRACTICES OF THE  
LINCOLN WEST MALL CONDOMINIUM ASSOCIATION, INC.,  
PURSUANT TO C.R.S. §38-33.3-209.5  
ADOPTED AS OF DECEMBER 1, 2013  
POLICIES AND PROCEDURES**

**ADOPTION/AMENDMENT OF PROCEDURES**

Any existing procedure may be amended or new procedure may be adopted by a vote of the Board of Directors at any scheduled or special Board meeting after being drafted and submitted to the membership for review and comment at least seven (7) days prior to adoption.

**BOARD MEMBER CONFLICT OF INTEREST**

Board members must declare any conflict of interest (defined as financial gain to Board member or parent, grandparent, spouse, child, sibling of Board member or spouse of any of those persons, or who is directly affected by any violation of any Rule or Regulation of the Association) in an open meeting. Said Board member is prohibited from voting on any issue when such issue exists; said Board member may not attend the meeting for the purpose of determining whether a quorum is present; and that Board member must recuse himself from discussing the issue. The Board shall annually review the Association's conflict of interest policies. The provisions of C.R.S. §7-128-501, as amended, are incorporated herein.

**EXAMINATION OF ASSOCIATION RECORDS**

Any member of the Association may contact the management company and have access during normal business hours to relevant, requested records within a reasonable length of time. Copies will be provided at a charge per statute. The "records" which shall be available for inspection shall be those described in C.R.S. §38-33.3-317, as amended.

**COLLECTION POLICY**

1. Prior to taking any action to collect any delinquent or unpaid assessment, through a collection agency or attorney, the Association, in conformity with C.R.S. §38-33.3-316.3, shall notify the owner that:

(a) For the purposes of these Policies and Procedures, the term "assessment" means all regular and special assessments, any associated fees, charges, late charges, bad check charges, attorneys fees, fines, and interest, in an amount determined by the Association, not to exceed 21% per annum;

(b) Payments are due on the 1<sup>st</sup> day of each month and are delinquent if not paid by the 30<sup>th</sup> day of such month;

- (c) A late payment fee of \$\_\_\_\_.00 shall be imposed on delinquent assessments for each 30-day period;
- (d) Any returned check charges shall be assessed against the delinquent owner;
- (e) That an owner may be entitled to enter into a Payment Plan if he meets the requirements set forth in C.R.S. §38-33.3-316.3 and that the owner may contact Tony Babich at Breckenridge Resort Managers at 800-765-0727 or toby@rmlodging.com for instructions regarding how to enter into a Payment Plan.
- (f) The total amount due with an accounting of how the total was determined;
- (g) That the unit owner may contact Tony Babich at Breckenridge Resort Managers at 800-765-0727 or toby@rmlodging.com to request a copy of the ledger to verify the amount of the debt;
- (h) That unless payment of the debt is made within 30 days, the delinquent account will be turned over to a collection agency or attorney for collection for the filing and a foreclosure of a lien against the owner's property, a lawsuit against the owner or any other available remedies. However, no foreclosure action may be commenced unless the amount secured by the assessment lien is equal to or exceeds six months of common expenses/assessments.
- (i) A payment of less than the full amount to the Association shall be applied to pay the following (if applicable) in the order listed, from oldest to most recent in each category:
1. Attorney fees and costs incurred by the Association and for which the Owner is responsible pursuant to all governing documents and Colorado law;
  2. Fines, late charges, or other monetary charges or penalties;
  3. Past-due Special Assessments;
  4. Past-due installments of Regular Assessments;
  5. Current Special Assessments; and
  6. Current payment for Regular Assessment[s].

2. Payment Plans. The Association shall make a good faith effort to set up a Payment Plan pursuant to the following requirements:

(a) The Unit Owner occupies the Unit and acquired it other than through a foreclosure;

(b) The Unit Owner has not previously entered into a Payment Plan and defaulted; and

(c) The Payment Plan will permit the Owner to pay off the deficiency in equal installments over a six-month period. However, if the Unit Owner defaults in making any payment when due, the Association may proceed with collection efforts.

3. Resolution by Board. The Board shall formally resolve, by a recorded vote, to authorize the filing of a legal action against a specific unit on an individual basis. This duty may not be delegated to any manager, attorney, or any other person.

### **CONDUCT OF MEETINGS**

- All Regular and Special Meetings, Executive Committee, and Committee Meetings of the Association are open to the membership;
- Notice of any unit owner meetings and meetings of the Board will be physically posted in a conspicuous place, and such notices shall be sent to all Members.
- The Association will use electronic means of giving notice of unit owner and Board meetings. The Association will e-mail meeting notices to unit owners who request it and provide the Association with their e-mail addresses.
- The Board will allow a unit owner or his representative to comment at any Board meeting, but not participate in deliberations prior to its taking formal action on an item under consideration; however, the Board may place reasonable time restrictions on the person speaking.
- If the proposed action to be taken by the Board is by a consent resolution, advance notice of such proposed action shall be sent to each Member by electronic mail with an opportunity to comment by electronic mail to such proposed action.
- Votes for contested positions for Board members at the Annual Meeting will be taken by secret ballot. At the discretion of the Board, or if requested by 20% of unit owners present or represented by proxy, if a quorum has been achieved, secret ballots will be used for a vote on any other matter on which all unit owners are entitled to vote. A committee of unit owners, rather than candidates of Board members, is to count ballots.
- Proxies are not valid if obtained through fraud. The Association may reject votes, ballots, or proxies if the person tabulating votes as a reasonable basis to doubt their validity. The person who rejects a vote, ballot, or proxy is not subject to

damages. All actions of the Association regarding such rejections are valid unless a court determines otherwise.

### **ENFORCEMENT OF COVENANTS**

The Association has a written policy for enforcement of rules, covenants, and policies. Violations will be issued according to the same. Owners have a right to appeal by registering a written complaint. Owners will be afforded a hearing before the Board of Directors. After discussion of the appeal, the Board will vote to uphold or rescind the original decision.

### **MEDIATION**

The Association will use mediation prior to litigation in dealing with conflicts between unit owners and the Association.

### **INVESTMENT OF RESERVE FUNDS**

The Association will:

- Follow cash or modified accrual accounting practices;
- Hold Reserve funds separately;
- Invest Reserve funds in conservative accounts; and
- Deposit the majority of funds in fully insured accounts.

\*\*\*\*\*

## **ALTERNATIVE DISPUTE RESOLUTION POLICY**

- 1.1 Whenever a dispute arises between the Association and any owner, the Association and the owner are encouraged to try to resolve the dispute by methods other than court action [litigation].
- 1.2 When the Association is collecting past-due assessments or dues, the Association or its Managing Agent sends warning or “delinquency letters” to the owner to inform the owner of the amount owed and to encourage the owner to pay without litigation. If the Association is enforcing its governing documents, the Association will give notice to the owner of the alleged violation in an effort to avoid litigation by having the owner comply with the governing documents.
- 1.3 If the Association and the owner agree, their dispute may be submitted to mediation before any lawsuit is filed. The written, signed agreement submitting their dispute to mediation shall state who the mediator will be, that the parties will pay their share of the mediator’s fees, and will provide a time limit for conducting the mediation. If no mediation is held within that time period, and no agreement extending the time is signed, either side is free to file suit.

- 1.4 If the dispute is resolved through mediation, the parties shall sign a written settlement agreement. The settlement agreement will usually state that the agreement will be enforceable by the courts in the event either side violates the terms of the agreement.
- 1.5 Mediation shall not be used in situations involving imminent threat to the peace, health, or safety of the community.
- 1.6 Mediation is highly recommended but not mandatory before proceeding with litigation. If either the Association or the owner chooses not to attempt a resolution of their dispute through mediation, the party may file a lawsuit to resolve the issue.

\*\*\*\*\*