

**SPINNAKER AT LAKE DILLON CONDOMINIUM ASSOCIATION  
POLICIES, PROCEDURES & RULES**

1. Policy on Adopting Rules, Policies and Procedures. In compliance with the Colorado Common Interest Ownership Act, the Board of Managers has adopted a uniform and systematic procedure to amend and adopt policies, procedures and rules.
  - a. The Board of Managers shall have the authority to adopt policies, procedures and rules and regulations to the extent they do not conflict with the Declaration, Articles of Incorporation, and Bylaws of the Association.
  - b. The Board shall have the authority to adopt and amend those policies and procedures and rules and regulations that govern the Association's operation. These policies, procedures and rules and regulations may be adopted at any Board meeting and documented in the minutes or in a formal resolution.
  - c. Prior to adopting final rules, the Board may send notice of a proposed rule to all owners. Rules, once adopted, shall be posted or sent to all owners, at least within 60 days following approval.
  - d. Definitions:
    - i. A "policy" is a course or principle of action adopted to guide the Board of Managers.
    - ii. A "procedure" is an established or official way of conducting a course of action.
    - iii. A "rule" is defined as a regulation or requirement governing conduct or behavior.
  - e. Policies and procedures shall direct the activities of the Board of Managers in the operation of the Association.
  - f. Rules shall govern the use of property within the community and the behavior of residents and/or their guests while in the community.
2. Collection Policy. The Association has the power and duty to collect assessments to operate and maintain the Community pursuant to the Declaration ("Declaration") and the Bylaws of the Association. In compliance with the Colorado Common Interest Ownership Act, the Board of Managers of the Association has adopted a uniform and systematic policy to address collection of assessments and other charges of the Association.
  - a. Annual Assessments.
    - i. Due Date: Spinnaker's fiscal year runs from April 1 through March 31. Spinnaker bills the upcoming year's annual assessment for interval Owners in two equal installments. The first installment will be mailed on or about April 1. The second installment will be mailed October 1. For Owners other than interval Owners, Spinnaker bills the annual assessment quarterly on April 1, July 1, October 1 and January 1. Payment is due upon mailing to the address on record with the Association
    - ii. Delinquency Date: On the 15th of the month following billing, payment is past due and delinquent. For interval Owners billed in two equal installments, this is May 15, and Nov. 15. For Owners other than interval Owners billed

quarterly, this is May 15, Aug. 15, Nov. 15, and Feb. 15.

- iii. Notice of Delinquency: You will be mailed a Notice of Delinquency specifying:
  1. The total amount due, with an accounting of how the total was determined.
  2. Whether there is an opportunity to enter into a payment plan, and instructions how to do so if that option is available.
  3. The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.
  4. That the Owner must take action to cure the delinquency, and a failure to do so within 30 days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or any other remedies available under Colorado law.
- iv. Delinquency Charges and Effects:
  1. If an Owner is delinquent, the following charges are added:
    - a. A late fee of \$50.00 is charged each Delinquency Date. May 15, and Nov. 15 for interval Owners. May 15, Aug. 15, Nov. 15, and Feb. 15 for Owners other than interval Owners.
    - b. 60 days after payment is due, the Manager will file a Notice of Lien and charge \$50 for doing so.
    - c. 90 days after payment is due, interest of 1.5% per month (i.e. 18% per annum) will be charged on the total amount of the account past due.
  2. When an interval Owner is delinquent, the interval Owner's reservations are canceled and the interval Owner may not hold a reservation until 10 days after the interval Owner's account is brought current, assuming that the interval Owner's use week is still available and not committed to another person through the Bonus Time program or the Rental Time program. Exchange requests will not be confirmed. Existing confirmed exchanges will be blocked. There is no guarantee that an interval Owner will receive a reservation or confirmed exchange after the interval Owner has brought their account current.
  3. To be reinstated, an Owner must pay all charges in full, including all penalties, fees, and interest, to have their occupancy rights (in the case of an interval Owner) and voting rights (in the case of all Owners) reinstated.
  4. Voting Rights Suspended. On delinquency, Owner voting rights are suspended. Upon delinquency, the delinquent interval Owner's use week(s) are immediately available for the Bonus Time program and the Rental Time program of the Association without further notice to the delinquent interval Owner. Net proceeds, if any, are to be reported to the Board and used to offset the amount due from the delinquent interval Owner.
- v. 30 Days After the Delinquency Date Collection Actions may be taken: The Board of Managers may, at its discretion:
  1. Submit the delinquent Owner's account(s) to an attorney or collection agency;

2. File a lawsuit against the Owner seeking a personal judgment against the Owner;
  3. File and foreclose upon a lien against the Owner's property giving rise to the deficiency and seek a deficiency judgment in that same action;
  4. File a quiet title action; and/or
  5. Pursue any other remedies available under Colorado law and the governing documents of the Association.
  6. Any fees and costs incurred will be charged to the delinquent Owner's account, including but not limited to attorneys' fees and related costs incurred prior to filing suit.
- b. Return Check Charges.
- i. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:
    1. An amount equal to the face amount of the check, draft or money order and a return check charge of \$20.00 or an amount equal to the actual charges incurred by the Association levied by the party returning the check whichever is greater; or
    2. If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for three times the face amount of the check, but not less than \$100.00.
  - ii. Any returned check shall cause an account to be past due if full payment of the currently billed assessment and any other charge is delinquent.
  - iii. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.
- c. Attorney Fees. The Association shall be 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 pursuant to the terms of the Declaration and Colorado law. Attorney fees incurred by the Association shall be considered part of the assessments and shall be due and payable immediately when incurred, upon demand.
- d. Application of Payments. If this covers every type of charge, it should be sufficient under statute. All payments received on account of any Owner may be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to a judgment; then to interest; then to late charges; then to return check charges; then to fines and other amounts levied pursuant to the Declaration; then to delinquent assessments; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.
- e. Delegation of Authority to Sign Notice of Lien. The Board of Managers delegates

authority to the Association's manager and the Association's attorneys to sign and acknowledge the Notice of Assessment Lien.

- f. Notices: Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notice to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.
  - g. Certificate of Status of Assessment/Estoppel Letter. The Association shall furnish to an Owner or such Owner's designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Real property. The statement shall be delivered within 14 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested for a fee. The fee for the statement shall be assessed in accordance with the management company's fee schedule for such statements, which fee shall become an assessment. If the Owner's account has been turned over to the Association's attorney, such statement shall be handled through the Association's attorney and shall include any attorney fees incurred in providing the statement.
  - h. Waivers. The Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association may determine appropriate under the particular circumstances. Any such accommodation may be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with this Collection Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed 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 Collection Policy.
  - i. Payment Plan: A payment plan is available to an Owner if the Owner has not entered into a payment plan, previously. The payment plan shall allow the Owner to pay any deficiency in equal installments over a period of 6 months. Nothing in this policy prohibits the Association or a holder or assignee of the Association's debt from pursuing legal action against an Owner or any other responsible person if the Owner fails to comply with the terms of his or her payment plan. An Owner's failure to remit payment of an agreed upon installment, or to remain current with regular assessments as they come due during the 6 month period constitutes a failure to comply with the terms of his or her payment plan. Upon failure to comply with a payment plan no additional notice of default or delinquency is required prior to the Association pursuing its remedies against the Owner or other responsible person.
3. Conduct of Meetings. In compliance with the Colorado Common Interest Ownership Act, the Board of Managers has adopted a uniform and systematic policy and procedure to address conduct of Board and Member meetings.
- a. Board Meetings.
    - i. Notices. Notice of Board meetings shall be given to Board members at least 7 days prior to the meeting, or as allowed in the Bylaws. If a schedule is set for regular Board meetings, no notice beyond the schedule need be given.
    - ii. Open Meetings/Executive Sessions. All Board meetings shall be open to

attendance by Members of the Association, or their representatives, provided that the Board may go into executive session for any purpose allowed by law. Members may be excluded from executive session. Prior to going into executive session, the chair of the meeting is to announce the purpose for the executive session.

- iii. Posted Notices. The Board may post notice of upcoming Board meetings on a website, bulletin board, or other feasible location within the community.
- iv. Meeting Agendas. The meeting agenda shall be made reasonably available for examination by Members of the Association or their designated representatives. Items may be discussed pursuant to the meeting agenda, provided that items may be taken out of order if deemed advisable by a majority of Board Members present or the chair. Items not on the agenda may be discussed once all other items have been concluded, time permitting. If items that are not on the agenda are discussed, Members may be given a reasonable opportunity to comment in accordance with the terms above.
- v. Member Forums. There shall be a Members' forum at the beginning of each regular Board meeting. The Members' forum shall be for such period of time, if members are present, as determined by the Board, and the Board may extend this time in its discretion. The rules for Member participation during the meetings are as follows:
  - 1. Each Member who wishes to address the Board, on an agenda item or on any other matter, must submit a written list of the matters to be discussed 7 days prior to the board meeting so that the Board may be properly prepared to address the issues raised. Each Member properly submitting a written list may be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. After other Members have had an opportunity to speak, then a Member who has already spoken may be given another opportunity, time permitting.
  - 2. Each Member who wishes to speak must be recognized by the chair. Once recognized, the Member shall state his/her name and address
  - 3. All comments must be delivered in a businesslike and professional manner. Personal attacks or inflammatory comments are not permitted. Comments or behavior determined to be disruptive by the Board may result in immediate dismissal of the Member from the meeting and may, in addition to all other remedies available to the Board, result in a fine of \$100.00 per incident at the reasonable discretion of the Board.
  - 4. A Member who wishes to speak about any matter on the agenda of the Board meeting shall do so only during the Members' forum.
  - 5. The Board is not obliged to take immediate action on any item presented by a Member.
- vi. Participation in Meetings after the Member Forum is Concluded. Following the conclusion of the Members' forum, the Board may proceed

with the business portion of their meeting. Members who attend or remain may not participate in deliberation or discussion during this portion of the Board meeting unless expressly authorized by a vote of the majority of a quorum of the Board.

b. Annual and Special Member Meetings.

- i. Notice of a Membership meeting shall be sent to each Member as provided in the Bylaws. Notice may also be posted in the Building.
- ii. Each Member must sign in prior to the meeting for himself/herself and for any proxies he/she holds. Voting rights of delinquent Members are suspended and such Members shall not be given ballot. If an election or vote is to be held, the Member will be given the appropriate number of ballots.
- iii. Any ballot for the election of managers need not be by secret ballot to the extent required by state statutes.
- iv. The President of the Board of Managers, or other person directed by the Board, will call the meeting to order and conduct the meeting. The meeting may proceed in the order set forth in the agenda.
- v. Each Member who wishes to speak may be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the chair's discretion.
- vi. Members must maintain good manners and refrain from addressing the Membership or Board until recognized by the chair. Upon being recognized, the Member must state his/her name and address.
- vii. Members may not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. Members may not engage in personal attacks on either Board Members or other Association Members. All comments and questions are to be delivered in a businesslike manner and comments shall be confined to matters germane to the agenda item being discussed. No Member may use abusive, rude, threatening, vulgar or crude language. Comments or behavior determined to be disruptive by the Board may result in immediate dismissal of the Member from the meeting and may, in addition to all other remedies available to the Board, result in a fine of \$100.00 per incident at the reasonable discretion of the Board.
- viii. Members must obey all orders made by the meeting chair, including an order to step down.
- ix. Any Member who refuses to follow the above rules may be asked to leave the meeting.
- x. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion may be considered binding on the Association or a recommendation for proceeding. Such determination may be made following consultation with

legal counsel.

- xi. Meetings are not required to be held in accordance with Robert's Rules of Order.

4. Conflicts of Interest Policy. In compliance with the Colorado Common Interest Ownership Act, the Board of Managers of the Association has adopted a uniform and systematic policy to address conflicts of interest.
  - a. Definition. A manager is deemed to have a conflict of interest if any of the following would derive a financial benefit from a contract, Board decision or Board action; the manager; the manager's parent, grandparent, spouse, child, sibling; or the parent or spouse of the manager's parent, grandparent, spouse, child or sibling.
  - b. Disclosure. The manager shall disclose the conflict of interest in the matter in an open meeting prior to the discussion and vote on the matter. Such disclosure may be reflected in the minutes of the meeting or other written form.
  - c. Participation. The manager may participate in the meeting, and may vote on the matter in which he has a conflict if the transaction is "fair" to the Association.
  - d. Quorum. The interested manager shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.
  - e. Compensation of Managers/Officers. No manager or officer shall receive any compensation from the Association for acting as a volunteer except as authorized pursuant to the Declaration and/or Bylaws.
  - f. Manager Acknowledgement of the Policies in this Section. Each manager may be required to sign an acknowledgement of this policy within a reasonable time of becoming a manager.
  - g. Form of Acknowledgement. Board members are urged to sign the following acknowledgement and certification: " I, \_\_\_\_\_, hereby acknowledge and confirm that I have read the Conflict of Interest Policy adopted \_\_\_\_\_ and agree to disclose any conflict of interest which may arise during my term as a manager in compliance with the policy. I further acknowledge and agree that I will be responsible for any damage to the Association arising from my failure to disclose a conflict as required by the policy."
5. Covenant and Rule Enforcement Policy and Dispute Resolutions Procedures. In compliance with the Colorado Common Interest Ownership Act, the Board of Managers has adopted a uniform and systematic policy to address covenant and rule enforcement and alternative dispute resolution.
  - a. Enforcement Procedure. The Board shall not impose fines unless and until the Association has sent or delivered written notice to the Owner as required by state statutes and as provided below.
  - b. Alternative Dispute Resolution Policies and Procedures. Disputes between the Association and Owners may, but are not required to be, mediated or arbitrated.
  - c. Complaints. Any Owner within the community may send to the Association a formal, written complaint (sent by regular mail to the Association's mailing address) of a covenant or rule violation, with as much information as is known. Complaints may also be initiated by the Manager or any member of the Board of Managers. Complaints that cannot be independently verified by a Board member or the

Association's management agent must be in writing. The Board shall have no obligation to consider oral complaints or anonymous complaints. The Board shall have the authority to determine whether a written complaint is justified before continuing with the Notice and Hearing Procedure.

- d. Notice of Alleged Violation. A Notice of Alleged Violation of any provisions of the Declaration, Bylaws, Rules and Regulations, or Resolutions shall be provided in writing to the applicable Owner as soon as reasonably practicable following the receipt of a complaint or discovery by the Board of such violation. The notice may describe the nature of the violation and the possible fine that may be imposed, the right to request a hearing before the Board to contest the violation or possible fine, and may further state that the Board may seek to protect its rights as they are specified in the governing legal documents. All notices shall be delivered by messenger or sent by mail.
- e. Request for Hearing. If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, or to discuss any mitigating circumstances, the Owner must request such hearing, In writing, within 8 days of the date of the Notice of Alleged Violation. The request for hearing may describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is not requested within the 8 day period, the Board may determine if there was a violation based upon the information available to it, and if so, assess a reasonable fine as set forth in the fine schedule. The Board of Managers shall give written notice of said fine to the applicable Owner.
- f. Board of Managers to Conduct Hearing. The Board may hear and decide cases set for hearing pursuant to the procedures set forth herein. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings. The Board may determine whether a violation exists and impose fines.
- g. Conflicts. Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure may be made at the hearing, and the Board member may be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer may appoint an Association member, in good standing, to serve as a voting member of the hearing board.
- h. Hearing. The Board shall inform the Owner of the scheduled time, place and date of the requested hearing by messenger or by mail. The Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer may explain the rules, procedures and guidelines by which the hearing may be conducted and may introduce the case before the Board. The complaining parties and the Owner shall have the right, but not the obligation to be in attendance at the hearing. Each party may present evidence, testimony, and witnesses. The decision of the Board at each hearing may be based on the matters set forth in the Notice of Alleged Violation and Hearing, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Managers in accordance with the terms of the Colorado Common Interest Ownership Act, all hearings shall be open to attendance by all members of the Association. If a

complaining party is unable to attend the Hearing, he or she may instead submit a letter to the Board explaining the basis of the complaint.

i. Decision. After all testimony and other evidence has been presented to the Board at a hearing, the Board may render its written findings and decision, and impose a reasonable fine, if applicable, within 90 days after the hearing. A decision, either a finding for or against the Owner, may be by a majority vote of the Board of Managers or hearing body. The Board may also issue and record with the Clerk and Recorder, a Notice of Violation. Upon notice of satisfactory compliance with the Association's governing documents, the Notice of Violation may be released by the Association by issuing and recording a Release of Notice of Violation.

j. Fine Schedule.

i. The following fines are guidelines for violation of the provisions of the Declaration, Bylaws, Rules and Regulations and Resolutions of the Association:

First violation:	Warning
Second violation:	\$50.00
Third violation	\$100.00
Fourth violation:	\$150.00
Subsequent violation:	\$150.00
Continuing violation:	\$150.00

ii. Pursuant to the Declaration, a fine is not to exceed \$500 for each violation or act of noncompliance by an Owner or the Owner's guest. The Board reserves the right to fine for first violations of rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the above referenced schedule, if the fines set forth in this schedule are not likely to provide effective incentives to induce compliance. Additionally, the Board may establish the amount of the fine within the above ranges based upon the nature and severity of the violation, as determined in the sole discretion of the Board. The Board may waive all, or any portion, of the fines if, in its reasonable 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 compliance with the Declaration, Bylaws or rules.

iii. All fines shall be due and payable upon notice of the fine and will be late if not paid within the number of days demanded, or 30 days, which ever is less, of the date that the Owner is notified of the imposition of the fine. Interest charges may be invoked, plus other charges as allowed under the Association's collection policy. All fines and late charges shall be considered an assessment and may be collected as set forth in the Declaration. Fines in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

k. Legal Action. The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, rules or resolutions without first following the preceding notice and hearing procedures, if the Board determines that such actions is in the Association's best interests.



- d. Due Diligence. The manager will employ due diligence in the management and investment of Association cash and will strive to secure the highest possible yield combined with the minimum risk of loss and will invest only with Federally-insured institutions, or in investments backed by or directly in the U.S. government. These investments could include savings accounts, Certificates of Deposit (CDs), Access CDs or money market accounts, Treasury Bills, (instruments backed by the full faith and credit of the United States government) of other similar types of investments.
- e. Limitation Liability. In the absence of negligence, the manager shall not suffer any liability for the Association cash investments. In the event the Board of Managers shall specifically direct the manager to invest with one institution more than the Federal insurance limit of One hundred Thousand Dollars (US \$100,000.00), the manager shall not suffer any liability for loss of the uninsured portion of such investment. Additionally, many Associations must maintain balances over \$100,000.00 to simply cover normal monthly operating costs. The manager shall have no liability with regard to these uninsured balances (to the extent they exceed \$100,000) as there is no way to maintain accounts less than \$100,000 and still have adequate cash for normal expenses.
- f. Cash Management/Reserve Funds. In some instances a cash management type of account may be used for replacement (reserve) funds. Since these funds are normally set aside for future long-term expenditures, they will normally be invested in longer term, laddered maturities in FDIC or US Government secured CDs and treasuries. Funds in excess of \$100,000 will be invested in CDs and treasuries on a short term revolving basis.
- g. Cash Management/Operating Funds. In some instances a cash management type of account may be used for operating funds. These funds are short term in nature and are used for the current operational needs. However un-invested cash should not exceed the greater of \$100,000, which is a typical cushion, or two months operating cash flow needs. To avoid this, funds in excess of \$100,000 or two months operating cash flow needs should be invested in CDs and treasuries to mature based upon the operational needs per the cash flow report.
- h. Budgeting. The Board of Managers may establish the amount, if any, to be transferred to reserve funds on an annual basis. The amount may be reflected in the budget to be ratified by the owners.
- i. Goals. The reserve funds may be invested to achieve the following goals, in descending order of importance:
  - i. Promote and ensure the preservation of principal;
  - i. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
  - ii. Mitigate the effects of interest rate volatility upon reserve assets;
  - iii. Seek the highest level of return that is consistent with preserving the principal and accumulated interest; and
  - iv. Minimize investment costs.
- j. Factors to be Considered. The Board may consider the following circumstances in investing reserve funds:
  - i. General economic conditions;
  - i. Possible effect of inflation or deflation;
  - ii. Expected tax consequences;

- iii. Role that each investment plays in the overall investment portfolio; and
  - iv. Other resources of the Association.
- k. Fidelity Insurance. The Association may carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds; to the extent such insurance is reasonable available.
7. Records Inspection Policy and Procedure. In compliance with the Colorado Common Interest Ownership Act, the Board of Managers has adopted a uniform and systematic records inspection policy.
- a. Records to be Maintained. The Association may maintain, at a minimum, the following records:
- i. Financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;
  - ii. Minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board;
  - iii. Articles of Incorporation, Declaration, Covenants, Bylaws, rules and regulations, and resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members;
  - iv. Written communications within the past three years to Members generally as Members;
  - v. A list of the names and business or home addresses of its current managers and officers;
  - vi. Its most recent annual report, if any; and
  - vii. All financial audits or reviews conducted pursuant to the Colorado Common Interest Ownership Act during the immediate preceding three years.
- b. Reasonable Availability. Records shall be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours upon notice of 5 business days, to the extent that
- i. The request is made in good faith and for a proper purpose;
  - ii. The request describes with reasonable particularity the records sought and the purpose of the request; and
  - iii. The records are relevant to the purpose of the request.
- c. Records Requests. All record requests shall be submitted on substantially the following form: "Member Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 \_\_\_\_\_ Address: \_\_\_\_\_  
 Telephone #: \_\_\_\_\_. Pursuant to state law and the Association's Records Inspection Policy, I hereby request that Spinnaker at Lake Dillon Condominium Association provide access to the records of the Association understand that upon receipt of this request, the Association may 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):  
 \_\_\_\_\_"

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I certify that my request to review the records of the Association is for a proper purpose related to my Membership in the Association, and that this request is not for commercial purposes or my personal financial gain. Specifically, my purpose for wanting to review the records of the Association is as follows:

\_\_\_\_\_. I acknowledge and accept the Association's records inspection policy. I acknowledge and accept that the records of the Association may 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 improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law."

- d. Records and Supervision. At the discretion of the Board of Managers or manager, records may be inspected only in the presence of a management company employee or other person designated by the Board or manager.
- e. Appointments with the Manager to Review Records. Upon receipt of a request, the Association may make an appointment with the Owner, at a time convenient to both parties to conduct the inspection. Unless otherwise agreed, all requested records shall be inspected on site at the Spinnaker. All appointments for inspection shall be limited to 15 minutes. If additional time is needed, another appointment may be made within two weeks, at a time convenient to both parties.
- f. Copying. During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means acceptable to the Association. Copies will be made at a uniform cost as set by the manager. The Owner may be responsible for paying the total copying cost prior to receiving the copies. If the Association's management company increases or decreases the copying cost to the Association, the copying cost charged to the Owner may be increased or decreased accordingly, without amendment to this procedure.
- g. Removal. Records may not be moved from the office in which they are inspected without the express written consent of the Board, which consent may be conditioned on receipt of a cash deposit that may be refunded upon return of the records.
- h. Exempt Records. The following records will not be available for inspection without the express written consent of the Board:
  - i. Documents which are privileged or confidential between attorney and client or which concern pending or imminent court proceedings;
  - ii. Personnel records of Association employees;
  - iii. Documents related to investigative proceedings concerning possible or actual criminal misconduct;
  - iv. Documents which, if disclosed, would constitute an unwarranted invasion of individual privacy;
  - v. Documents which the Association is prohibited from disclosing to a third party as a matter of law; and
  - vi. inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations that have not been formally approved by

the Board.

- i. Damages. 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 purpose other than that stated in the Owner's request.
8. Rules & Regulations Regarding Underground Parking. The Spinnaker at Lake Dillon Condominium Association Board of Managers have addressed the problems developing with the limited size parking spaces in our underground garage and have established the following rules which are to become effective immediately. The tremendous growth in size of vehicles in the years since the structure was built has led to this decision and, in order to provide as equitable a solution as possible for all concerned, it was necessary to establish these rules.
    - a. The on-site management staff shall have full authority in determining whether or not a vehicle shall be allowed to use the underground parking space or must use the parking spaces adjacent to the building.
    - b. Guests using the outdoor parking spaces may use the underground parking facility for loading and unloading at their convenience.
    - c. The on-site management staff will do everything possible to accommodate all guests in providing underground parking.
    - d. These rules are now part of the interval owner's rules and regulations and included as part of future rental agreements.
    - e. Decisions made by the on-site staff shall be final. All complaints or comments may be directed to the board of managers but they will not change the staff's decision.
  9. General Rules & Regulations
    - a. The sidewalks, if any, entrances, and all of the Limited Common Elements and General Common Elements must not be obstructed or encumbered; nor shall any carriages, skis, bicycles, wagons, shopping carts, chairs, benches, tables, or any other object of a similar type and nature be left therein or thereon.
    - b. No Owner shall allow anything whatsoever to fall from the windows, patios, decks, balconies, entry ways or doors of the premises, nor shall sweep or throw from his Condominium Unit any dirt or other substances outside of his unit or on the Limited Common Elements or General Common Elements of the condominium building.
    - c. Refuse and bagged garbage shall be deposited in the area provided therefore and nowhere else.
    - d. No Owner shall store or leave trailers, mobile homes, recreation vehicles, or other powered recreational equipment such as snow mobiles or boats and the like in the Building, except areas, if any, designated for their use.
    - e. Employees of the Association or Management Firm engaged by the Association shall not be sent from the Building by any owner at any time for any purpose. No owner or resident shall direct, supervise or in any manner attempt to assert any control over the employees of the Management Firm or the Association.
    - f. No Owner shall make or permit any disturbing noises, sounds or odors by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such person that will interfere with the rights, comforts, or

conveniences of the other owners. No Owner or occupant shall play or permit to be played any musical instrument, or operate or permit to be operated a phonograph, television, radio or sound amplifier in his Unit, in such a manner as to disturb any other occupants of the building. All occupants shall lower the volume as to the foregoing from 10:30 P.M. to 8:00 A.M. each day.

- g. Subject to C.R.S. § 38-33.3-106.5, no sign, advertisement, notice, or other lettering shall be exhibited, displayed, inscribed, painted or affixed, in, on, or upon any part of the Building by an owner or occupant without written permission of the Board of Managers or the Management Firm.
- h. Complaints regarding the service of the Building shall be made in writing to the Management Firm, as long as the Management Agreement remains in effect, and thereafter to the Board of Managers.
- i. No inflammable, combustible or explosive fluid, chemical or substance, shall be kept in any Unit or in any of the Limited Common Elements except such as are required for normal household use.
- j. The Board of Managers of the Association, reserves the right to make additional Rules and Regulations as may be required from time to time without consent of the Association or its members. These additional Rules and Regulations shall be binding as all other Rules and Regulations previously adopted.
- k. All owners of Unit Weeks in Condominium Units committed to Interval Estate Ownership shall vacate their units no later than 10:00 A.M. on the last day of their ownership period. No such owner shall take possession of his unit earlier than 4:00 P.M. on the day on which his ownership period commences.
- l. No animals of any kind may be kept in any Condominium Unit committed to Interval Ownership. No animals of any kind may be kept in any condominium not committed to Interval Ownership without the express written consent of the Management Firm as long as the Management Agreement is in effect, or the Board of Managers. Where such written permission is granted, such permission is revocable if in the sole opinion of the Management Firm or Board of Managers, the animal becomes obnoxious to other owners, in which event the Owner or person having control of the animal shall be given a written notice to correct the problem, and if not corrected, will be required without delay to remove the animal permanently.
- m. Nothing shall be done or kept in any Unit or in or on the Common Elements or any part thereof which would be a violation of any Statute, rule, regulation, permit or other validly imposed requirement of any governmental body having jurisdiction thereof.
- n. No noxious, destructive or offensive activity shall be carried on in any Unit or in the General Common Elements or any part thereof, nor shall anything be done therein which may become an annoyance or nuisance to any other owner or to any person lawfully residing in the Building at any time.
- o. Nothing shall be done or kept in any Unit or on the Common Elements or any part thereof which would result in the cancellation of the insurance on the Building or any part thereof or increase the rate of insurance on the Building or any part thereof over that which the Association or the Owners, but for the activity, would pay.

- p. No clotheslines, wiring or installation of air conditioning or other machines shall be installed on the exterior of a Condominium Unit or the Building or be allowed to protrude through the walls, windows and roof of a Unit or the Building.
- q. Except in designated storage areas, nothing shall be kept or stored on any part of the General Common Elements by any Owner or their guests, or invitees or renters.
- r. Nothing shall be altered on, constructed in, or removed from, the General Common Elements by any Owner, his guests or invitees.
- s. No vehicle shall be repaired, serviced, rebuilt, dismantled, painted, or stored anywhere within the General Common Elements.
- t. No condition shall be permitted to exist within any Condominium Unit, deck, balcony, patio or court which is calculated to be visible from other Condominium Units or the Common Elements and which is inconsistent with the design integrity of the Spinnaker at Lake Dillon Condominiums; such as conditions include but are not limited to windows treatments, drapes, shades, and hangings, and articles situated in decks, balconies, walkways, patios and windows. For purposes of this Rule, any conditions shall be presumed to have the permission of the Association until notice from the Association that permission has been revoked; any condition for which permission is so revoked shall be eliminated promptly after said notice has been given.
- u. Smoking shall be prohibited throughout all Spinnaker property, including without limitation, all Units and all Common Elements. (Adopted May 19, 2015)
- v. The above Rules and Regulations shall be deemed to be in effect until amended by the Board of Managers of Spinnaker at Lake Dillon Homeowners Association, and shall apply to and be binding upon all Condominium Unit Owners and all Unit Week Owners of Spinnaker at Lake Dillon Condominiums. All such owners shall, at all times, obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees, and persons over whom they exercise control and supervision.