

**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
POLICY AND PROCEDURE  
ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, AND RULES**

The following policy and procedure has been adopted by the Board of Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION ("Association") pursuant to Colorado statutes, for adoption and amendment of policies, procedures and rules.

1. Adoption or amendment of any policy, procedure or rule shall be performed only at a meeting of the Board which is open to all Owners or their representatives.
2. The Board shall consider the following criteria when adopting or amending a policy, procedure or rule:
  - a. Reasonable and necessary;
  - b. Clear and unambiguous;
  - c. Reasonably related to the preservation, protection and enhancement of property values; and
  - d. Consistent with
    - (i) the Association's governing documents;
    - (ii) applicable federal and state statutes and case law; and
    - (iii) local laws and ordinances;
3. Adoption or amendment of any policy, procedure, or rule and regulation requires an affirmative vote of a majority of directors who are in attendance at the Board meeting.
4. Any policy, procedure, or rules and regulations and any amendment shall be effective fifteen days after delivery of written notice to each Owner (including posting on the Association's website or publication in the Association's newsletter) of its adoption.
5. The Board shall maintain a cross-reference between these policies and procedures and the other governing documents of the Association ("The Declarations", "The Bylaws" and "The Articles of Incorporation").

**SECRETARY'S**

**CERTIFICATION:** The undersigned, being the Secretary of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 28, 2007, and in witness thereof, the undersigned has subscribed his/her name.

**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
A Colorado non-profit corporation**

By \_\_\_\_\_  
Secretary

**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
POLICY AND PROCEDURE  
CONDUCT OF MEETINGS**

The following policy and procedures has been adopted by the Board of Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, ("Association") pursuant to Colorado statutes, for the conduct of meetings.

**OWNERS MEETINGS**

1. Meetings of the Owners shall be held at such times and locations as may be provided in the Association's Declaration, Bylaws, Articles of Incorporation or Rules and Regulations ("Governing Documents") or by applicable Colorado statutes, but a least once annually.
2. Only Owners in good standing are eligible to vote. For purposes of this policy, "good standing," shall mean all of the following: (1) ownership in a Unit; (ii) no outstanding amounts due to the Association; (iii) no outstanding violation of any provision of any Governing Document.
3. Notice of Owners meetings shall be distributed as may be provided in the Association's Governing Documents or by applicable Colorado statutes.
4. The Association's Board shall determine the agendas for the meetings, subject to any requirements in the Association's Governing Documents and applicable Colorado statutes, and distribute such agendas with notices of the meetings.
5. The President of the Association's Board or such other person as may be designated by the President, shall preside over all meetings.
6. Items of business and/or discussion must be presented by Motion and such Motion seconded, prior to discussion.
7. Any person not in compliance with these rules of conduct, may be ejected from the meeting:
  - a. no one may speak until called upon by the chairperson to do so;
  - b. only one person may speak at a time;
  - c. Personal attacks or abusive language will not be tolerated; and
  - d. Only the individual presiding over the meeting may interrupt a speaker and then only for purposes of limiting the time of the discussion or due to personal attacks abusive language.
8. Voting by Owners to fill positions on the Board shall be by secret ballot unless waived by unanimous consent of all Owners present at the meeting. Any other matter put before the assembly for a vote may be by any means acceptable to the assembly or by secret ballot if requested.
9. Unless otherwise provided by the Governing Documents or by applicable Colorado statutes,

the affirmative vote required for the election of members of the Board shall be the candidates receiving the largest number of votes. Unless otherwise provided by the Governing Documents or by applicable Colorado statutes, the affirmative vote required for the passage of any other matter put before the assembly for a vote shall be a majority of those present (as defined by the Rules and/or Bylaws) and voting at the meeting.

10. The meetings shall be conducted in accordance with Robert's Rules of Order, Newly Revised, except as otherwise specified in the Bylaws.

**BOARD MEETINGS**  
(cf Bylaws Article 2)

11. Meetings of the Board shall be held at such times and locations as may be provided in the Governing Documents or by applicable Colorado statutes.
12. Notice of Board Meetings shall be distributed as may be provided in the Governing Documents or by applicable Colorado statutes.
13. The Board members or Managing Agent may create agendas for Board meetings, but are not required to do so. To the extent that an agenda is created for a Board meeting, it shall be provided to owners requesting a copy of same.
14. Notwithstanding paragraph 13 above, Board Meetings shall include a "Homeowners Forum" conducted as follows:
  - a. There will be a list at a sign in table for persons to enter their names if they wish to speak at this meeting;
  - b. Unless waived by the Board, only those persons who have entered their names on the list of speakers shall speak;
  - c. Speakers will be called upon to speak in the same order in which they entered their names;
  - d. No one may speak until called upon by the chairperson to do so;
  - e. Only one person may speak at a time;
  - f. Unless waived by the Board, each person shall have three (3) minutes to speak;
  - g. Personal attacks or abusive language will not be tolerated; and
  - h. Only the chairperson may interrupt a speaker and then only for purposes of limiting the time of the discussion or due to personal attacks or abusive language.
15. The President of the Board or the Vice President or such other person as may be designated by the President, shall preside over Board meetings.
16. For each matter upon which the Board anticipates taking action, a motion must be made and seconded stating the proposed action, followed by discussion.
17. At the conclusion of discussion, but prior to vote on the Motion by the Board members, any owner may request to be heard on the matter discussed.
18. Board meetings shall be open to attendance by all Owners of the association or their

representatives except for any portions of such meetings which appropriately may be conducted in executive session

19. The members of the Board may hold an executive session and restrict attendance to only Board members and such other persons requested by the Board during a regular or special meeting for discussion of the following:
  - a. Matters pertaining to employees of the Association or the Managing Agent's contract or involving the employment, promotion, discipline, or dismissal of a officer, agent, or employee of the Association.
  - b. Consultation with legal counsel concerning disputes that are the subject of pending or imminent or possible court proceedings or matters that are privileged or confidential between attorney and client;
  - c. Investigative proceedings concerning possible or actual criminal misconduct;
  - d. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
  - e. Review of or discussion relating to any written or oral communication from legal counsel.
20. Prior to holding an executive session, the President or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above.
21. No Rule or Regulation shall be adopted during an executive session. A Rule or Regulation may be validly adopted only during a regular or special meeting
22. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matters discussed at the executive session.
23. Executive sessions shall normally be held at the end of meetings.
24. The meetings shall be conducted in accordance with Robert's Rules of Order, Newly Revised, except as otherwise specified in the Bylaws.

**SECRETARY'S**

**CERTIFICATION**

The undersigned, being the Secretary of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 28, 2007, and in witness thereof, the undersigned has subscribed his/her name.

INN AT SILVERCREEK HOMEOWNERS ASSOCIATION a  
Colorado non-profit corporation.

By \_\_\_\_\_  
Secretary

**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
POLICY AND PROCEDURE  
INSPECTION AND COPYING OF ASSOCIATION RECORDS**

The following policy and procedure has been adopted by the Board of Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION ("Association") pursuant to Colorado statutes, for the inspection and copying of Association records.

1. Inspection of Association Books and Records by Owners. An Owner or his/her authorized agent is entitled to inspect and copy, at the Owner's expense and during regular business hours at a reasonable location specified by the Association, any of the records or papers of the Association (except as specifically limited or excluded by Section 3 below) if the Owner gives the Association written demand at least five (5) business days before the date on which the Owner wishes to inspect and copy such records and:
  - a. The demand is made in good faith and for a proper purpose;
  - b. The Owner describes with reasonable particularity the purpose and the records or papers the Owner desires to inspect; and
  - c. The records or papers are directly connected with the described purpose.

"Proper purpose" means a purpose reasonably related to the demanding Owner's interest as an Owner of the Association.

It is within the reasonable discretion of the Board to determine whether an Owner's demand to inspect and copy is made in good faith and for a proper purpose.

An inspection may also be made by an Owner requesting specific Association records be delivered to it. The requesting Owner shall in such instance pay all costs of providing the documents pursuant to the provision in the last paragraph of 4 below plus postage and/or delivery costs.

2. Proper Purpose/Limitation. Without the consent of the Board, a membership list or any part thereof may not be obtained or used by any person for:
  - a. Any purpose unrelated to a Owner's interest as a Owner; or
  - b. To solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association; or
  - c. Any commercial purpose; or
  - d. To be sold to or purchased by any person.
3. Exclusions. The following records and documents may be kept confidential by the Association:
  - a. Attorney-Client Confidential Documents. In order to protect the attorney/client privilege existent between the Association and its attorneys, all attorney created documents, including, but without limitation, memos, opinion letters, and draft documents prepared at the behest of the Board, are not available for the inspection or

copying by any Owner or his/her authorized agent, without the consent and authority of the Board and upon advice of the legal counsel involved.

- b. Personnel Confidential Documents. Documents pertaining to employees of the Association or involving employment, promotion, discipline, or dismissal of an officer, agent, or employee.
  - c. Applicable Law. Any documents that are confidential under constitutional, statutory or judicially imposed requirements.
  - d. Individual Privacy. Any documents the disclosure of which would constitute an unwarranted invasion of individual privacy are confidential.
4. Copy and other Document Fees. The Association will impose a reasonable charge covering the costs for copies of any documents the Association provides to an Owner. The charge may not exceed the approximate cost for copies as incurred by the Association, said cost to be determined from time to time by the Association.

If an Owner requests copies of Association documents which are not in the possession of the Association, the Owner is responsible for whatever fees and costs are imposed by the entity (CPA, attorney, etc.) holding such records for copy and related costs, including but not limited to labor, materials, and postage.

If an Owner requests a copy of an Association document which must be retrieved from archives, compiled, generated, certified or authenticated in any way, the Owner is responsible for all fees and costs incurred in the retrieval, compilation, generation, certification or authentication and reproduction (copying) of the requested document(s), including but not limited to labor, materials, and postage.

**SECRETARY'S**

**CERTIFICATION:** The undersigned, being the Secretary of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a dully called and held meeting of the Board on April 28, 2007, and in witness thereof, the undersigned has subscribed his/her name.

INN AT SILVERCREEK HOMEOWNERS ASSOCIATION a  
Colorado non-profit corporation.

By \_\_\_\_\_  
Secretary

**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
BOARD POLICY AND PROCEDURE  
REGARDING CONFLICTS OF INTEREST**

The following Policy and Procedure has been adopted by the Board of Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION ("Association") pursuant to Colorado statutes, for defining and handling conflicts of interest by Directors.

- A. All Directors shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to the Association and Owners. All Directors shall comply with all lawful provisions of the Association's Governing Documents.
- B. Any duality of interest or possible conflict of interest on the part of any Board Member shall be disclosed to the other Directors at the first meeting of the Board at which the interested Board Member is present after the conflict of interest is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the Board meeting at which the disclosure of the conflict or possible conflict of interest is made.
- C. No loans shall be made by the Association to its Directors or officers. Any Board Member or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment.
- D. A "conflicting interest transaction," is:
  - 1. A contract, transaction or other financial relationship between the Association and a Board Member; or
  - 2. A contract, transaction or other financial relationship between the Association and a party related to a Board Member; or
  - 3. A contract, transaction or other financial relationship between the Association and an entity in which a Board Member is a director or officer or has a financial interest.
- E. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Owner or by or in the right of the Association, solely because the conflicting interest transaction involves a Board Member or a party related to a Board Member or an entity in which a Board Member is a director or officer or has a financial interest, or solely because the Board Member is present at or participates in the meeting of the Board whereby the Board authorized, approves, or ratifies the conflicting interest transaction.
  - 1. The material facts as to the Board Member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the other Directors, and the Board in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or

2. The material facts as to the Board Member's relationship or interest and as to the conflicting interest transaction are known to the Directors entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members;
  3. The conflicting interest transaction is fair as to the Association as reasonably determined by the Board
  4. In no event shall a Board member with a conflict of interest vote on the conflicting interest transaction.
- F. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.
- G. For purposes of this section, a party related to a Director shall mean a spouse, a domestic partner, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a director has a beneficial interest, or an entity in which a party related to a Director is a director, officer, or has a financial interest.
- H. The foregoing requirements shall not be construed as preventing the interested Director from briefly stating his or her position in the matter nor from answering pertinent questions of other Directors since his or her knowledge may be of great assistance.
- I. Any breach or suspected breach of this resolution by a Director shall be brought to the attention of the remaining Directors for appropriate action.

SECRETARY'S

CERTIFICATION: The undersigned, being the Secretary of the INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 28, 2007, and in witness thereof, the undersigned has subscribed his/her name.

INN AT SILVERCREEK HOMEOWNERS ASSOCIATION a  
Colorado non-profit corporation

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



**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
POLICY AND PROCEDURE  
INVESTMENT OF RESERVE FUNDS**

The following policy and procedure has been adopted by the Board of Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, ("Association") pursuant to Colorado statutes, to institute proper guidelines for the ongoing management of the Association's investment of its reserve funds.

- A. **INVESTMENT OBJECTIVES.** The principal represents the reserve funds for maintenance, repair, and replacement of those items for which the Association is responsible and that must be periodically maintained, repaired, or replaced. Reserve funds are to be invested in a manner that assures maximum safety and appropriate liquidity and, secondarily, maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:
1. Preservation and safety of principal;
  2. Managed liquidity to meet expected and unexpected expenditures; and
  3. Maximization of yield
- B. **INVESTMENT RESPONSIBILITIES.** The Board shall have direct control with regard to opening appropriate bank accounts and establishing safekeeping accounts or other arrangements for the custody of securities and execute such documents as may be necessary. The Board may employ the service of a qualified investment advisor to direct a portion or all of the investment activities of the Association consistent with guidelines set forth in this investment policy.
- The Board will monitor ongoing investment activities to ensure proper liquidity is being provided and that the investment strategy is consistent with the Association's objectives. The Board shall review investment performance no less than at each regular meeting of the Board.
- C. **ELIGIBLE INVESTMENTS.** The portfolio will be limited to the following investments:
1. Certificates of deposit (CDs);
  2. Money market deposit accounts in which there is no principal risk;
  3. Money market funds in which there is no principal risk; and
  4. U.S. treasuries and U.S. treasury zero coupons.
  5. Saving accounts
- D. **CREDIT QUALITY RESTRICTIONS.** All investments shall be ASS-rated or U.S. Treasury securities or insured by the FDIC.
- E. **MATURITY LIMITS.** The Company must structure its investment portfolio in order to meet anticipated cash requirement.
- F. **STRATEGY.** Investments shall be structured so they mature at different times allowing the

Association to minimize the interest rate risk.

- G. **CUSTODIAN.** Investments will be held in custodial accounts with approved banks or financial institutions federally insured whether through FDIC or the US Government, so that all monies are insured at all times.
- H. **TRANSFERS.** Budgeted additions shall be transferred to reserves on a monthly basis;
- I. **REPORTS.** A report of earnings shall be prepared by management, financial advisor, or the treasurer and presented at each regular Board meeting;
- J. **INSURANCE.** In addition to any requirements provided by the Association's governing documents, the Association shall obtain coverage by fidelity insurance to protect the Association from loss due to theft for any person with access to its investments.

SECRETARY'S  
CERTIFICATION;

The undersigned, being the Secretary of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 28, 2007, and in witness thereof, the undersigned has subscribed his/her name.

INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a  
Colorado non-profit corporation

By \_\_\_\_\_  
Secretary

**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
POLICY AND PROCEDURE  
ENFORCEMENT OF THE DECLARATION, BYLAWS, RULES, AND  
REGULATIONS AND SCHEDULE OF FINES**

The following policy and procedure has been adopted by the Board Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, ("Association") pursuant to Colorado statutes, for (i) the enforcement of the Association's Declaration, Bylaws, Rules and Regulations (including any design guidelines or architectural controls), collectively referred to as the "Governing Documents;" and (ii) a Schedule of Fines.

1. **Notice of Alleged Violation.** Notice of Alleged Violation of any provision of the Governing Documents shall be provided to the applicable Owner by as soon as is reasonably practicable after the Board's becoming aware of such violation. The Board may also, at its option, provide a copy of such Notice to any non-owner violator ("Related User"). The Notice shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the Governing Documents.

2. **Service of Notices.** Service of all notices required or permitted to be given hereunder shall be made as follows:

**If to an Owner and/or Related User:** By personal delivery to the Owner and/or Related User; or by U.S. Mail, or courier, cost of delivery prepaid, addressed to the last registered address of the Owner and/or Related User as contained in the Association's records.

**If to the Association:** By personal delivery or U.S. Mail, postage prepaid, addressed to the Association in care of its registered agent and office, as maintained with the Colorado Secretary of State or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed received on the date of delivery, any notice mailed shall be deemed received on the fifth day following the date of mailing, and any notice by courier shall be deemed received when delivered or delivery refused.

3. **Request for Hearing.** If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, the Owner must request such hearing, in writing, within thirty (30) days from receipt of the Notice of Alleged Violation. The request for hearing shall describe the grounds and basis for challenging the alleged violation. If a hearing is not requested within the 30 day period, the Board shall determine if there was a violation, and if so, may assess a reasonable fine within the guidelines contained in this Policy and Procedure within one hundred and twenty (120) days of the expiration of the 30 day period.

The Association's managing agent shall give notice of said assessment to the applicable Owner as provided in the Association's governing documents or this Policy and Procedure. Unless otherwise provided in the Association's governing documents, the fine assessment is due and payable immediately upon receipt of notice of the fine assessment.

4. **Board to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant

to these Policy and Procedure. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings.

5. **Conflicts.** Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Board prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board member shall 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.
6. **Hearing.** The Board shall inform the Owner of the scheduled time, place and date of the hearing, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Notice of Alleged Violation. Each party may make opening statements, may present evidence and testimony, may present witnesses, and may make closing statements. Neither the complaining parties nor the Owner must be in attendance at the hearing. However, the decision of the Board at each hearing shall be based on the matters set forth in the Notice of Alleged Violation, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all members of the Association.
7. **Decision.** After all testimony and other evidence has been presented to the Board at a hearing, the Board shall render its written findings and decision, and impose a reasonable fine, if applicable, within ten (10) days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the members of the hearing board present at the hearing. The Board may also issue and present for recording with the County Clerk and Recorder, a Notice of Finding of Violation. Upon satisfactory compliance with the Association's governing documents, the Notice of Finding of Violation may be released by the Association issuing and recording a Release of Notice of Finding of Violation.
8. **Fine Schedule.** Unless otherwise provided in the Rules and Regulations, any violation of the Governing Documents will subject the Owner to a reasonable fine assessment imposed by the Association as follows:
  - (i) Fines shall be determined by the hearing board for each finding of a violation based on the type, severity, repetition and circumstances of each violation based on the following guidelines

First time or minor violations	between \$25 and \$75
Repeated minor violations	between \$50 and \$250
Repeated or flagrant violations	between \$100 and \$1000
  - (ii) Fines may not exceed \$1,000 for any one finding of a decision.
  - (iii) In the event of a continuing violation, a daily fine may be levied if, and only if, the

Association's agent performs a daily inspection to verify the violation is continuing.

9. **Enforcement.** Notwithstanding any provision of this fine schedule or Policies and Procedures, the Association may use any legal means available at any time to enforce the terms of the Governing Documents.

SECRETARY'S

CERTIFICATION: The undersigned, being the Secretary of the The following policy and procedure has been adopted by the Board Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 28, 2007, and in witness thereof, the undersigned has subscribed his/her name.

INN AT SILVERCREEK HOMEOWNERS ASSOCIATION,  
a Colorado non-profit corporation

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

**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
COLLECTION POLICY AND PROCEDURE**

The following policy and procedure has been adopted by the Board of Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION ("Association") pursuant to Colorado statutes, for collection of unpaid assessments.

1. **Due Date.** The Association's Annual Common Expense Assessment shall be due and payable, in full, on January 1 of each year. Provided, however, the Board shall permit payment to be made in twelve equal monthly installments due on the first day of each month, commencing January 1. Assessments or other charges not paid to the Association by the 10<sup>th</sup> day of each month shall be considered past due and delinquent.
2. **Late Charge and Interest Imposed.** A 21% finance charge is charged when an account is considered past due and delinquent. A 30 day delinquent notice letter sent to the Owner incurs a \$10 fee. A 60 day delinquent notice letter sent to the Owner incurs an additional \$25 fee.
3. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Bylaws, the Rules and Regulations or the Articles of Incorporation (collectively, the "Governing Documents") or pursuant to Colorado statutes, or this Policy, a fifty dollar (\$50) fee or other amount deemed appropriate by the Board shall be assessed against an owner in the event any check or other instrument attributable to or payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the owner(s) of the Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Governing Documents or this Policy when not honored by the bank or other financial institution.
4. **Fees on Delinquent Accounts.** As an additional expense permitted (collectible as a Common Expense Assessment) under the Declaration and Colorado statutes, the Association shall be entitled to recover its reasonable attorney fees and collection costs (including without limitation to collection agency costs) incurred in the collection of assessments or other charges due the Association from a delinquent owner. The reasonable attorney fees and other costs incurred by the Association shall be due and payable immediately when incurred, upon demand.
5. **Application of Payments Made to the Association.** Regardless of inscriptions or notations on the front of the check or in any document accompanying the check or any restrictive endorsement, all payments received on the account of any owner shall be applied in the following order:
  - 1) interest or finance charges,
  - 2) any and all attorney fees, legal fees, and all other costs incurred for collection of

- assessments or other charges due the Association from a delinquent owner,
- 3) any late charges or fees, then
  - 4) any delinquent or accelerated installment of assessments.
6. **Acceleration of installments.** As provided in the Declaration, the entire Annual Assessment may be accelerated so that all monthly installments for the remainder of the Assessment year are immediately due and payable.
  7. **Notice to Owner.** After an installment, or other charge due the Association, becomes 10 days past due, the Board may cause, but shall not be required to send, a "late notice" to the Owner who is delinquent in payment. After 30, 60 and 90 days, additional "late notices" may be sent, incurring fees to the Owner. Notices may include a warning that the account may be referred to an attorney for collection.
  8. **Referral of Delinquent Accounts to Attorneys.** If payment in full is not received within 60 days of the date due, the Board may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred, including recording of a Notice of Assessment Lien against the Owner's Unit. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off or until the Board shall revoke the referral.
  9. **Appointment of a Receiver.** The Board may seek the appointment of a receiver if an owner becomes delinquent. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent the waste and deterioration of the Unit.
  10. **Judicial Foreclosure.** The Board may choose to foreclose on the Association's lien in lieu of or in addition to suing an owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful in obtaining payment, or other circumstances favor such action.
  11. **Waivers.** The Board may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files.
  12. **Ongoing Evaluation.** Nothing in this policy shall require the Board to take specific actions at a specific time but such action shall not be taken earlier than the earliest time provided herein. The Board has the option and right to continue to evaluate each delinquency on a case by case basis.
  13. **Rental Income.** The Board may with the cooperation of an Owner(s) rental agent have the right to have the agent pay all or a portion of an Owner's rentals to be applied to such Owner's delinquency.

**SECRETARY'S  
CERTIFICATION:**

The undersigned, being the Secretary of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 28, 2007, and in witness thereof, the undersigned has subscribed his/her name.

INN AT SILVERCREEK HOMEOWNERS ASSOCIATION,  
a Colorado non-profit corporation.

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



**INN AT SILVERCREEK HOMEOWNERS ASSOCIATION  
POLICY AND PROCEDURE  
DISPUTE RESOLUTION**

The following policy and procedures has been adopted by the Board of Directors ("Board") of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, ("Association") pursuant to Colorado statutes, for the resolution of disputes between an Owner and the Association.

- A. **Invitation to Meet With Board of Directors:** In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board of Directors to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owner's request.
- B. **Alternative Dispute Resolution:** Nothing in this Policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions are available to either party.

**SECRETARY'S**

**CERTIFICATION** The undersigned, being the Secretary of INN AT SILVERCREEK HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 28, 2007, and in witness thereof, the undersigned has subscribed his/her name.

INN AT SILVERCREEK HOMEOWNERS ASSOCIATION a  
Colorado non-profit corporation.

By \_\_\_\_\_  
Secretary