

**STRATTON FLATS  
MASTER ASSOCIATION, INC.  
RULES AND REGULATIONS**

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# **STRATTON FLATS MASTER ASSOCIATION, INC.**

## **RULES AND REGULATIONS**

The Stratton Flats Master Association, Inc. (“Master Association”) is subject to and governed by the Declaration recorded January 26, 2009 in the Office of the Clerk and Recorder for Eagle County, Colorado at Reception Number 200900985, as such document may be amended from time to time (“Declaration”), its Plat, Articles, Bylaws, and Rules and Regulations. In addition, Stratton Flats is subject to the Colorado Common Interest Ownership Act (“CCIOA”) C.R.S. 38-33.3-101 et seq., as supplemented by the Colorado Revised Nonprofit Corporation Act (“Nonprofit Corporation Act”), articles 121 to 137 of title 7, C.R.S.

To promote responsible governance, C.R.S. Section 38-33.3-209.5 requires the Master Association to adopt certain policies, procedures, and rules and regulations concerning certain association matters. Article VI of the Declaration provides that the business and affairs of the Master Association shall be managed by an Executive Board (“Board”) and Section 5.14 of the Bylaws states that the Board has a duty to make, amend and repeal the Rules and Regulations, including governance policies as required by law, as necessary or determined by the Board to be in the best interests of the Master Association.

NOW THEREFORE, pursuant to CCIOA, and subject to the Master Association’s governing documents as set forth above, the Board hereby adopts the following policies, procedures, and rules and regulations as the Rules and Regulations of the Master Association.

## **PRELIMINARY MATTERS**

The following provisions apply to all of the governing policies, rules and regulations set forth in this instrument.

1. Defined Terms. All terms not otherwise defined in these Rules and Regulations, which includes the Master Association’s governance policies, shall be as defined in the Declaration or Bylaws.

2. Supplemental Application to other Governing Instruments. The provisions of these Rules and Regulations shall be in addition to and in supplement of the terms and provisions of the Declaration, Plat, Articles, Bylaws, other rules, resolutions, and instruments adopted by the Master Association or Design Review Board for the regulation and management of Stratton Flats, and the laws of the State of Colorado governing the Master Association.

3. Waiver of Compliance. The Board may deviate from the rules, policies and procedures set forth in these Rules and Regulations if in its sole discretion such deviation is reasonable under the circumstances and permitted by law.

4. Amendments. These Rules and Regulations may be amended from time to time by the Board in accordance with the procedures established by the Board for amending policies, procedures and rules.

**I. Collection of Unpaid Assessments.** Assessments are primarily discussed in Article VII of the Declaration, the applicable provisions of which are hereby specifically incorporated by reference as part of the Master Association’s policy concerning assessments and the collection thereof.

## **COLLECTION POLICY**

1. Payment of Assessments. The annual General Assessment shall be paid in monthly installments due on or before the first day of each month. Limited Assessments, if any, shall be paid in the manner determined by the Board at the time such Limited Assessment is imposed. The amount of any General Assessment, Limited Assessment or Default Assessment (hereinafter referred to individually in whole or in part as “Assessment” and collectively as “Assessments”) shall be determined by the Board. Any Assessment not paid within thirty (30) days of its due date is considered late and delinquent. A Default Assessment, if not paid by its due date, may be deemed delinquent by the Master Association at any time for the purposes of facilitating accelerated collection action as provided for under Section 8 of this Collection Policy and to the extent permissible under Colorado Revised Statutes Section 38-33.3-209.5 (5).

2. Collection Procedures and Time Frames. The following are the collection procedures and time frames that will be followed in the event that any required Assessment is not made on its date due:

a. If an Assessment, or portion thereof, remains unpaid thirty (30) past its due date, then interest charges on the unpaid Assessment amount will be assessed and an updated statement will be mailed to the Owner;

b. If an Assessment, or portion thereof, remains unpaid sixty (60) days past its due date, then interest charges will continue to accrue and a notice shall be sent to the delinquent Owner specifying: (i) the total amount due, with an accounting of how the total was determined; (ii) whether an opportunity to enter into a payment plan as provided for under Section 9 of this Collection Policy exists; (iii) 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; and (iv) that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner’s delinquent account being turned over to the Master Association attorney, 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 other remedies available under Colorado law;

c. If an Assessment, or portion thereof, remains unpaid ninety (90) days past its due date and the Owner is not in full compliance with the terms of an established payment plan with the Master Association (or a holder or assignee of the association’s debt), then interest charges will continue to accrue, the matter will be immediately turned

over to the Master Association attorney for collection, initial attorney fees of Two Hundred Fifty Dollars (\$250.00) will be charged against the delinquent Owner's account and Site, and a Notice of Lien against the delinquent Owner's Site will be recorded;

d. If an Assessment, or portion thereof, remains unpaid one hundred twenty (120) days past its due date and the Owner is not in full compliance with the terms of an established payment plan with the Master Association (or a holder or assignee of the association's debt), all of the delinquent Owner's unpaid monthly installments of the annual General Assessment budgeted for the remainder of the calendar year in which the delinquent Assessment or General Assessment installment payment became due may be accelerated and due in full. Interest charges may be assessed on the entire unpaid amount of the Assessments.

3. Interest Charge. Delinquent unpaid Assessments and charges shall bear interest at the rate of eighteen percent (18%) per annum from the due date of such unpaid amount until the date paid.

4. Returned Checks. The Owner will be responsible for any returned check charges the Master Association incurs and a \$25.00 return check fee.

5. Recovery of Attorneys' Fees and Collection Costs. The Master Association is entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Assessments and other charges incurred on behalf of the delinquent Owner. These fees shall be payable when incurred and will be charged as an additional Default Assessment to the delinquent Owner's account. The Master Association is also entitled to recover attorneys' fees and collection costs through any collection action that the Master Association brings and is not limited to recovering such attorneys' fee and costs through judicial action. Reasonable attorneys' fees include but are not limited to any communications from the Master Association's attorney to or with the Owner.

6. Application of Payments. Payments received will be applied in the manner and order set forth in Article XVI, Section 16.01(d) of the Declaration.

7. Delinquency. Upon delinquency the Master Association may send out a late notice.

8. Collection. Notwithstanding the collection procedures and timeframes as set forth in Section 2 of this Collection Policy, if the Board in good faith believes that the best interests' of the Master Association would be best served by referring a Default Assessment, which must be paid when required by the Master Association, or an otherwise delinquent Limited or General Assessment, immediately to an attorney for further legal action, the Board retains the right to 'do so, provided a notice as described in Section 2 b. of this Collection Policy has been provided to the delinquent owner. The Board president is authorized to exercise this power on behalf of the Board without a formal resolution of the Board.

9. Remedies for Nonpayment (Payment Plan Provisions). Provided an Owner has

not previously entered into payment plan with the Master Association (or a holder or assignee of the association's debt), an Owner is entitled to enter into a payment plan and the Master Association (or a holder or assignee of the association's debt) shall make a good-faith effort to establish such a plan with an Owner unless, the Owner does not occupy the unit and has acquired the property as a result of a default of a security interest encumbering the unit or a foreclosure of the Master Association's lien. Such payment plan negotiated between the Master Association (or a holder or assignee of the association's debt) shall permit the Owner to pay off the deficiency in equal installments over a period of at least six (6) months. If an Owner fails to comply with the terms of his or her payment plan in any way, including but not limited to failing to remit payment of an agreed-upon installment on time, or failing to remain current with regular assessments as they come due during the six-month period, then the Master Association (or a holder or assignee of the association's debt) may take immediate legal action against the Owner. The Board may ask for appointment of a receiver or a judicial foreclosure of the Master Association's lien to obtain payment of current Assessments, past Assessments, or preserve the property. In addition, the Board may file suit to recover a money judgment, seek an injunction, or pursue such other remedies to the fullest extent permissible under Colorado law and the Declaration.

10. Liens on Property. Any Assessment levied against a Site or fines imposed against its Owner shall constitute a lien on the Owner's real property and the Master Association, through its managing agent and/or attorney, may record notice of the lien with the Office of the Clerk and Recorder for Eagle County, Colorado. The lien fee is One Hundred (\$100.00) and will be assessed to the Owner at the time the lien is recorded. The lien fee is in addition to any costs incurred by the Master Association related to the lien, including but not limited to attorney's fees, recording and release fees.

11. Imposition of Fines. The following written policy shall govern the imposition of fines charged under this Collection Policy.

a. Upon request by delinquent Owner, such Owner will be provided with accurate ledgers setting forth the delinquent Assessment amount and all costs, fees, and interest pertaining to such delinquency.

b. If an Owner desires a hearing to contest any charges related to the collection of unpaid assessments, the Owner must request a hearing in writing within ten (10) days of receipt of the notice containing the disputed charge(s). The request for hearing must identify each charge contested and describe the basis for the challenge with specificity.

c. Unless the charge is found to be in error upon receipt of the Owner's request for hearing, the Board will inform the Owner of the time and place of the hearing, which will be no sooner than fourteen (14) days after receiving the request, unless the Owner and the Board both agree to an earlier time for the hearing.

d. The Board is responsible for hearing and deciding cases set for hearing. The Board may appoint an Owner or member of the Board to act as Presiding Officer.



Any Board Member who is unable to be objective and provide a disinterested perspective shall disclose this bias to the President as soon as possible. This Board Member will be disqualified from the hearing. If this results in a tie in the decision-making process, the Presiding Officer or Owner will decide the tie.

e. At the hearing, each party may present his or her evidence through an opening statement, testimony, witnesses, and closing statements. The decision of the Board at the hearing will be based upon the evidence presented and the Owner's request for a hearing. Hearings may be open to other Owners or closed at the Board's discretion.

f. The Board may establish reasonable rules to limit the scope and duration of the hearing, provided the Owner is guaranteed an opportunity to be heard and the Board conducts a fair and impartial fact finding process determining:

i. Whether the alleged violation actually occurred; and

ii. Whether the Site Owner is the one who should be held responsible for the violation.

g. Within twenty (20) days of the hearing the Board shall provide the Owner the Board's decision in writing.

12. Filing of Lawsuits or Liens. The Master Association is hereby authorized to extend the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Board shall determine appropriate under the circumstances. The Board may deviate from the procedures set forth in this Collection Policy if in its sole discretion such deviation is reasonable under the circumstances and permitted by law.

13. Lack of Compliance; No Defense. Failure of the Master Association to comply with any provision in this Collection Policy shall not be deemed a defense to payment of Assessments or other charges, late fees, lien fees, return check fees, attorney's fees, or costs as described and discussed in this Collection Policy.

14. Construction. This Collection Policy is to be construed in accordance with the laws of the State of Colorado and the Declaration, Bylaws and Articles for the Master Association. If any part of this policy shall be adjudicated to be void or invalid, the remaining provisions not specifically so adjudicated shall remain in full force and effect to the fullest extent permissible under Colorado law. If any part of this policy should contradict the terms of the Declaration, Bylaws, Articles, or Plat, then the Declaration, Bylaws, Articles, and Plat are controlling to the extent necessary to resolve the contradiction. In the event any part of this policy should contradict any other Rules or Regulations set forth in this instrument then the terms of this policy are controlling to the extent necessary to resolve the contradiction.

**II. Conflicts of Interest Involving Board Members.** The Master Association's policy addressing conflicts of interest involving Directors is tailored to conform to the requirements of

C.R.S. Section 7-128-501 of the Colorado Revised Nonprofit Corporation Act as set forth in Section 15.6 of the Bylaws. This Conflicts of Interest Policy supplements the applicable provisions of the Bylaws.

## **CONFLICTS OF INTEREST POLICY**

1. Ethical Considerations. All Directors on the Board shall exercise their powers and duties in good faith and in the best interests of the Master Association. All Directors shall comply with and be guided by the provisions of the Master Association's Declaration, Bylaws, Articles and Rules and Regulations. Actions of the Board taken on behalf of the Master Association must be approved by a majority of the Directors voting on the matter. No contract, Board decision or other Board action in which a Director has a conflict of interest, or otherwise, shall be approved unless it is determined by the Board first to be fair to the Master Association, commercially reasonable and to serve the best interests of the Master Association.

2. Determining when a Conflict Exists and Prohibited Loans. A conflict of interest involving a Director exists when a "conflicting interest transaction" exists. "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Master Association and a Director, or between the Master Association and a party related to a Director, or between the Master Association and an entity in which a Director of the Master Association is a director or officer or has a financial interest. As used in the definition of a conflicting interest transaction, "a party related to a Director" means a person related to a Director by blood or marriage, 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. An inherent conflict would also arise if the Master Association was to loan money to its Directors or officers and therefore, absolutely no loans shall be made by the Master Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Master Association for the amount of such loan until repayment of the loan. An "officer" as used in this section includes any person designated as an Officer of the Master Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

3. What To Do When a Director Perceives a Conflict. If a Director becomes aware that a potential conflicting interest transaction exists, the Director must disclose the potential conflict and the material facts related to the Director's relationship or interest in an open meeting prior to any discussion or vote on the matter. The minutes of the meeting shall reflect the disclosure of the potential conflicting interest transaction.

4. What To Do When a Member Perceives a Conflict. If a Member believes that a Director may have an undisclosed conflict of interest, the Member may notify any Director of the perceived conflict and the Director shall review the perceived conflict to determine whether it falls within the parameters of this policy.

5. Procedure for Handling Conflicting Interest Transactions. Following the disclosure in a meeting that a potential conflicting interest transaction exists, if the disinterested Directors conclude that a conflicting interest transaction does exist, the interested Director shall

recuse himself or herself from discussing or voting on the issue and shall leave the room during any further discussion or voting on the matter to facilitate free and open discussion and voting among the remaining disinterested Directors. Notwithstanding the foregoing, if a majority of the disinterested Directors agree, the interested Director may remain present during the discussion and/or vote, and if a majority of the disinterested Directors agree, the interested Director may be allowed to vote on the matter if after the initial vote it is apparent the interested Director's vote is necessary to resolve a tie. The minutes of the meeting shall reflect the approval or disapproval of the conflicting interest transaction, the abstention of the interested Director from voting if applicable, and composition of the quorum and the voting record.

6. Quorum. 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 a conflicting interest transaction.

7. C.R.S. Section 7-128-501 Standard of Review. Notwithstanding anything to the contrary contained in this Conflict of Interest Policy, 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 Member or by or in the right of the Master Association, solely because the conflicting interest transaction involves a Director or a party related to a Director or an entity in which a Director is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Master Association's Board or of the committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if:

a. The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the committee, and the Board or committee 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

b. The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote thereon; or

c. The conflicting interest transaction is fair as to the Master Association.

8. Periodic Review. To insure potential conflicts of interest which may involve Directors are properly recognized and handled when they arise, it shall be the policy of the Master Association to review this Conflicts of Interest Policy at the first regular Board meeting following the election of any new Director to the Board.

**III. Conduct of Meetings.** This Conduct of Meetings Policy supplements the provisions of the Bylaws, located primarily in Article IV regarding meetings of the members and Article V regarding meetings of the Board, as those articles are the primary source of authority governing

the Master Association's conduct of meetings.

## **CONDUCT OF MEETINGS POLICY**

1. Application. This policy applies to only annual and special Meetings of the Members unless otherwise specifically noted herein.

2. Sign-In Procedure. All Members and Persons who attend an annual or special meeting of the Members will 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 a ballot.

3. Open Meetings. All annual, regular and special meetings of the Association's Members, Board, or any committee thereof, shall be open to attendance by Members or their representatives. Agendas shall be made reasonably available.

4. Conduct of Meetings. The president of the Board, or other person as designated by the president, will call the meeting to order and conduct the meeting as the chairperson ("Chair"). The meeting shall proceed in the order set forth in the agenda.

5. Robert's Rules of Order. The Chair may conduct the meeting in accordance with Robert's Rules of Order, as revised, or establish such additional or modified rules of order as may be necessary from time to time.

6. Decorum. Members must maintain decorum and refrain from addressing the Membership or Board until being first recognized by the Chair. Once recognized, the Member must first state his or her name and address.

7. Speaking Procedure. Each Member who wishes to speak will be given a reasonable time to speak, provided the Chair may impose reasonable time limits to facilitate Member participation. As a general rule, a person's time to comment during the meeting will be limited to three (3) minutes, however the time period may be extended or shortened at the discretion of the Chair. If more than one person desires to address an issue and there are opposing views the Chair shall provide for a reasonable number of persons to speak on each side of the issue. 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.

8. No Interruption. Only one Member may speak at a time and Members may not interrupt anyone who validly has the floor, nor otherwise disrupt the meeting.

9. Civility. Members may not engage in personal attacks on either Board members or other Master Association Members. All comments and questions are to be delivered in a civilized manner, without profanity, personal attacks or shouting. No Member may use abusive, rude, threatening, vulgar, or crude language. Comments shall be confined to matters germane to the agenda item being discussed.

10. No Recording. To facilitate free and open discussion, at no time will the recording of any meeting be permitted by anyone other than the secretary or Managing Agent for the purposes of record-keeping.

11. Chairman Control. Members must obey all orders made by the meeting Chair, including an order to step down. Any Member who refuses to follow the above rules will be asked to leave the meeting.

12. Motions. Any motions must be seconded prior to discussion and voting.

13. Secret Ballots. If any issue is being voted on by secret ballot, such as the election of a Director or other matter as set forth in Section 4.8 of the Bylaws, each Member entitled to vote on the matter shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event a Member holds a proxy for another Member, upon presentation of the proxy to the secretary or secretary's designee, the Member shall receive a secret ballot to cast the vote of the Member who provided the proxy. The proxy shall be kept and retained by the Master Association.

14. Ballot Procedure. All ballots shall be counted by a neutral third party or by a committee of volunteers who shall be Members selected or appointed at an open meeting by the Chair during that portion of the meeting. The committee of volunteers shall not be members of the Board, and in case of a contested election for a Board position, shall not include candidates.

15. Other Voting Procedures. All other votes taken at a meeting of the Members shall be taken in such method as determined by the Board including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

**IV. Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines.** This Enforcement Policy supplements the provisions of Article XVI of the Declaration regarding enforcement and remedies and Section 5.19 of the Bylaws regarding enforcement by the Board as that article and section are the primary sources of authority governing the Master Association's enforcement of covenants and rules

#### **ENFORCEMENT POLICY**

1. Intended Application of These Enforcement Procedures. This Enforcement Policy is intended to be a tool to assist both Owners and Directors in enforcing the covenants and rules of the Master Association. The Collection Policy is the primary source of authority concerning the Master Association's policies regarding the collection of Assessments and the procedure (including notice and hearing provisions) for the collection of fines and costs which may accrue as a result of an Owner's failure to pay Assessments in a timely manner. This Enforcement Policy addresses fines which may be imposed when an Owner or Guest violates or otherwise fails to perform or observe any other covenant or condition (as distinguished from the obligation to pay General and Limited Assessments) set forth in the Master Association's

Declaration, Bylaws, Articles or Rules and Regulations. This Enforcement Policy is in furtherance of and not in limitation to any other remedies or enforcement mechanisms set forth elsewhere in the Governing Documents.

2. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner, a Guest, or an agent of the Master Association by submission of a written complaint to the Master Association's managing agent, or if none, to any member of the Board. Complaints submitted via email are acceptable and satisfy the requirement that complaints be submitted in written form. Neither the Board nor its managing agent shall have an obligation to consider oral or anonymous complaints.

3. Complaints. In the complaint, the complaining Owner, Guest or agent of the Master Association should state when he or she observed the alleged violation, identify the alleged violator, and describe the alleged violation including as much detail and pertinent as possible. Although not necessary, including a picture of the alleged violation specified in the complaint may be helpful to the Board or its managing agent as additional documentation of the alleged violation.

4. Notice and Hearing. If the Board or its managing agent in its discretion determines that a written complaint was justified, a notice of the alleged violation shall be delivered to the Owner who may be held responsible for the alleged violation and an opportunity for a hearing shall be offered in accordance with the procedures set forth in Section 5.19 of the Bylaws. All notices and demands shall be delivered to the registered address of the Owner who may be held responsible for the alleged violation via regular mail or as otherwise provided for in accordance with Section 19.11 of the Declaration. The Board or its managing agent may at its discretion provide a copy of the notice of the alleged violation to any non-Owner alleged violator.

5. Supplemental Hearing Provisions. These provisions supplement the hearing provisions contained in Section 5.19 of the Bylaws.

a. The president of the Board may serve as or appoint another Director or any impartial Owner to act as Presiding Officer for the hearing to be held on behalf of the Owner who may be held responsible for the alleged violation. Any Director or Owner who is unable to be objective and provide a disinterested perspective or who would have a direct personal or financial interest in the outcome of the hearing to the extent that he or she would receive a greater benefit or detriment than the general membership of the Master Association, shall disclose this bias to the Presiding Officer as soon as possible and this person will be disqualified from the hearing. If this results in a tie in the decision-making process, the Presiding Officer will decide the tie.

b. At the hearing, each party may present his or her evidence through an opening statement, testimony, witnesses, and closing statements. The decision of the Board at the hearing will be based upon the evidence presented and the information contained in or accompanying the Owner's request for a hearing. Unless otherwise determined by the Board in accordance C.R.S. Section 38-33.3-308(4), all hearings shall

be open to attendance by all Members. 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; similarly if the Owner who may be held responsible for the alleged violation does not wish to attend the hearing he or she may submit a letter to the Board explaining why he or she should not be held responsible for the alleged violation.

c. The Board may establish reasonable rules to limit the scope and duration of the hearing, provided the Owner is guaranteed an opportunity to be heard and the Board conducts a fair and impartial fact finding process determining;

i. Whether the alleged violation actually occurred, and

ii. Whether the Site Owner is the one who should be held responsible for the violation.

d. Within twenty (20) days of the hearing the Board shall provide the Owner the Board's decision in writing. The Board may also issue and record in the Eagle County Records a Notice of Violation. On notice of satisfactory compliance with the Master Association's governing documents, the Notice of Violation may be released by the Master Association issuing and recording a Release of Notice of Violation.

6. Fine Schedule. In addition to all other remedies available to the Master Association to enforce the terms and provisions of the Declaration, Bylaws, and its Rules and Regulations, the following fine schedule has been adopted for all recurring covenant violations:

a. First Violation: Written notice warning letter to Owner.

b. Second violation (or continuing violation of same covenant or rule for seven (7) days): A minimum \$100.00 fine may be assessed against the Owner.

c. Third Violation (or continuing violation of same covenant or rule for seven (7) days): A minimum \$200.00 fine may be assessed against the Owner.

d. Fourth (or continuing violation of same covenant or rule for seven (7) days): A minimum \$500.00 fine may be assessed against the Owner and/or \$100 per day that such violation remains uncured for each violation.

7. Collection of Fines. All fines shall be due and payable upon issuance of the notice of the fine and will be late if not paid within ten (10) days of the date that the owner is issued notice of the imposition of the fine. Late fees and interest may be assessed in accordance with the Master Association's Collection Policy. All fines and late charges shall be considered a Default Assessment and may be collected as set forth in the Declaration and Collection Policy. Fines shall be in addition to all other remedies available to the Master Association pursuant to the terms of the Declaration and Colorado law, including the Master Association's right to collect late charges, interest, costs of collection and attorneys' fees.

8. Waiver of Fines. The Board may waive all or any portion of the fines assessed, if in its discretion such waiver is appropriate under the circumstances. Additionally, the Board may condition the waiver of the entire fine, or any portion thereof, upon violator coming into and remaining in compliance with the Declaration, Bylaws, Articles and the Rules and Regulations.

9. Other Enforcement Means. The fine schedule and enforcement process indicated in this Enforcement Policy is in addition to all other enforcement means which are available to the Master Association through its Declaration, Bylaws, Articles, Rules and Regulations and Colorado law. The use of any process set forth herein does not preclude the Master Association from using any other enforcement means available.

**V. Inspection and Copying of Association Records by Unit Owners.** This Records Inspection Policy supplements the provisions of Section 4.04 of the Declaration and Section 15.3 of the Bylaws, as those sections are the primary source of authority setting forth the Master Association's policies for the inspection and copying of Master Association records.

### **RECORDS INSPECTION POLICY**

1. Association Records. The Master Association shall maintain at a minimum the records set forth in Subsections 4.04(a), (b), and (e) of the Declaration and as required under C.R.S. 38-33.3-317 of CCIOA.

a. Records maintained by the Master Association may be withheld from inspection and copying to the extent that they are or concern:

i. Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;

ii. Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;

iii. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;

iv. Disclosure of information in violation of law;

v. Records of an executive session of the Board; or

vi. Individual units other than those of the requesting Owner.

b. Records maintained by the Master Association are not subject to inspection and copying, and must be withheld, to the extent that they are or concern:

i. Personnel, salary, or medical records relating to specific individuals; or



ii. Personal identification and account information of Members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

2. Inspection Criteria. Master Association 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 ten (10) business days, or at the next regularly scheduled meeting, if such meeting occurs within thirty (30) days after the request, to the extent that:

- a. That request is made in good faith; and
- b. The request describes with reasonable particularity the records sought.

3. Restrictions on Distribution and Use of Membership List. A membership list, or any part thereof, may not be obtained or used by any person for any purpose unrelated to a Member's interest as a Member of the Master Association without the express written consent of the Board as set forth in Section 15.7 of the Bylaws.

4. Records Requests and Rules of Inspection.

a. When a Member, or Member's authorized agent, wishes to inspect or copy a Master Association record, the Member or agent shall deliver a written request to the Master Association's managing agent, or other party as designated by the Board, describing the records sought, and the date on which the Member or Member's agent wishes to inspect and/or copy the records, which must be at least ten (10) business days after the date on which the written request is received by the Master Association or its agent.

b. This Records Inspection Policy does not apply to a Member's or such Member's designee or to a holder of a security interest or its designee's written request for a statement of account for a specific Site. Pursuant to C.R.S. 38-33.3-316(8) of CCIOA such a request for a statement of account for a specific Site shall be furnished within fourteen (14) calendar days after receipt of the request.

c. Upon receipt of a proper written request, the Master Association, or its agent, shall make an appointment with the Member, or its agent, at a time convenient to both parties to conduct the inspection. All appointments for inspection will be limited to two (2) hours. If additional time is needed, another appointment will be made within two (2) weeks, at a time convenient to both parties.

d. The Master Association reserves the right to have a Director or other person designated by the Board present to observe during any inspection of a record by a Member or Member's authorized agent.

e. The inspection and/or copying of the Master Association records shall be

conducted at the Member's or Member's authorized agent's expense, and the Master Association is entitled to charge the Master Association's actual cost per page for copies of Master Association records. The cost per page may be based on a standard schedule of fees charged by the Master Association's managing agent, if any, which may include retrieval costs. For copy requests estimated to be over \$25.00, the Master Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay the deposit shall be valid grounds for denying a Member, or Member's authorized agent, copies of such records. The Member or Member's authorized agent shall be responsible for paying the total copying cost prior to receiving the copies.

f. Records may not be removed from the office in which they are inspected without the express written consent of the Board.

g. The following records will not be available for inspection without the prior 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. Documents related to investigative proceedings concerning possible or actual criminal misconduct;

iii. Documents which if disclosed would constitute an unwarranted invasion of individual privacy;

iv. Documents which the Master Association is prohibited from disclosing to a third party as a matter of law; and

v. Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board.

h. The Master Association reserves the right to require that all records requests be submitted on a form approved by the Board. In addition the Master Association reserves the right to require any Member, or Member's authorized agent to sign a separate agreement that warrants that Master Association records and the information contained within those records shall not be used for commercial purposes and warrants that any membership list or portion thereof shall not be used for any improper purpose as established by the Board or Colorado law.

5. Remedies. The Master Association may pursue any Member or Member's agent to the fullest extent provided for under its Governing Documents or Colorado law for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for an unlawful purpose''.

**VI. Investment of Reserve Funds.** Reserve Funds are discussed in Section 7.12 of the Declaration. The following Reserve Funds Policy supplements the Master Association’s policies with respect to the investment of reserve funds and reserve studies.

### **RESERVE FUNDS POLICY**

This Reserve Fund policy satisfies the requirements of C.R.S. Section 38-33.3-209.5(b)(VI) and C.R.S. Section 38-33.3-209.5(b)(IX).

1. Purpose Statement. To responsibly fund and finance anticipated and unanticipated needs, the Master Association shall establish and maintain a capital reserve fund for the repair, restoration, and replacement of Common Elements for which the Master Association is responsible, and may establish and maintain a general operating reserve fund as authorized and limited by Section 7.12 of the Declaration.

2. Reserve Study. In order to determine and maintain the appropriate level of reserve funds, the Master Association may prepare, review or update an internally conducted reserve study, or employ others to prepare, review or update, a reserve study for the portions of the community to be maintained, repaired, replaced, and improved by the Master Association. When such a reserve study is obtained it shall be based on a physical and financial analysis. If a funding plan for any work recommended by the reserve study is adopted, such plan shall identify the projected sources of funding for the work.

3. Standard of Care. Directors are subject to the Board standards as set forth in Section 5.21 of the Bylaws in the performance of their duties. In supplement of those standards, with regard to the investment of reserve funds, Directors and officers shall also be subject to the standard of care outlined below and as set forth in C.R.S. Section 7-128-401 of the Nonprofit Corporation Act. For purposes of this Reserve Funds Policy, “officer” means any person designated as an Officer of the Master Association and any person to whom the Board delegates responsibilities, including without limitation a managing agent, attorney, or accountant employed by the Board.

a. Directors shall discharge their director’s duties as a Director, including the Director’s duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer’s duties under that authority:

i. In good faith;

ii. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

iii. In a manner the director or officer reasonably believes to be in the best interests of the Master Association.

b. A Director or officer is not acting in good faith if the Director or officer has knowledge concerning the matter in question that makes the reliance as described

below unwarranted. Generally, however, in discharging his or her duties, a Director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

i. One or more officers or employees of the Master Association whom the Director or officer reasonably believes to be reliable and competent in the matters presented; or

ii. Legal counsel, a public accountant, or another person as to matters the Director or officer reasonably believes are within such person's professional or expert competence; or

iii. A committee of the Board of which the Director is not a member, if the Director reasonably believes the committee merits confidence.

4. Investments. Unless otherwise approved by the Board, all reserves will be FDIC insured and/or guaranteed. The Board may hire a qualified investment advisor to assist with developing a specific investment strategy. The Board shall be guided by the following objectives when investing reserves:

a. To promote and ensure the preservation of the reserve accounts' principal;

b. To structure maturities in such a way to ensure sufficient liquidity and availability of funds for projected and/or unexpected expenditures;

c. To pursue the highest rate of return that is within the Master Association's risk tolerance boundaries and consistent with the goal of preserving the principal and accumulated interest;

d. To minimize investment costs; and

e. To mitigate the effects of interest rate volatility on reserve assets.

5. Review and Expenditures. The Board shall review reserve account investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed. Any spending of the reserve principal must be approved in advance by the Board.

**VII. Procedures for the Adoption and Amendment of Policies, Procedures, and Rules.** Article VI of the Declaration provides that the Board shall manage the business and affairs of the Master Association and Section 5.14 of the Bylaws provides among other things that the Board has a duty to make, amend and repeal Rules and Regulations. This Adoption and Amendment Policy establishes the procedures for amending policies, procedures and rules.

### **ADOPTION AND AMENDMENT POLICY**

1. Defining Policies, Procedures, and Rules
  - a. A policy is a principal, plan, or course of action adopted to guide the Board.
  - b. A procedure is an established method or official manner of proceeding in a course of action.
  - c. A rule is a requirement governing conduct, behavior, or action in a given type of situation.
2. Policies and Procedures. Policies and procedures guide the Board in the management, regulation, and operation of the Master Association.
3. Rules. Rules govern the use of property within the community and the behavior of Owners, Guests, and lessees/tenants while in the community.
4. Adoption and Amendment by Board. Pursuant to its Declaration, Bylaws and Rules and Regulations, the Board may adopt and amend such policies, procedures, and rules as the Board deems necessary or appropriate to facilitate the efficient operation and governance of the community, including but not limited to clarification of ambiguous provisions in the Declaration, Bylaws, or other governing documents, or as may be required by law.
5. Adoption and Amendment by Board without Advance Notice. The Board may adopt or amend policies, procedures, and rules without providing advance notice to Owners, provided the Board is acting in good faith and treatment of all Owners or within classes of Owners under the policies, procedures, and rules is consistent. If the Board in its reasonable discretion determines that it would be in the best interest of the community to provide Owners advance notice and an opportunity to comment on any proposed policies, procedures, and rules, then the Board will follow the notice procedures for meetings of the Members as set forth in Section 4.4 of the Bylaws.
6. Procedure. Such policies, procedures, and rules shall be adopted or amended at an open meeting of the Board and documented in the minutes or by formal Board resolution.

7. Notice of Adoption of Rules and Amendments. Rules and amendments to rules, once adopted, shall be sent to the Owners and shall become effective thirty (30) days after the date of adoption unless a later effective date is specified therein.

**VIII. Procedures for Addressing Disputes between the Association and Owners.** This Dispute Resolution Policy supplements the provisions of Article XX of the Declaration which sets forth the Master Association's procedures for resolving certain Disputes, including those which may arise between the Master Association and Owners.

### **DISPUTE RESOLUTION POLICY**

1. Disputes between Owners and the Association. Disputes between the Master Association and Owners arising from Assessment collection matters and covenant and rule enforcement matters are to be first addressed as set forth in the Master Association's Collection Policy and Enforcement Policy. It is the Master Association's goal to attempt to resolve all disputes between the Master Association and Owners in the normal course of business and communications. When such attempts fail, this Dispute Resolution Policy provides that the mandatory procedures for dispute resolution as set forth in Article XX of the Declaration will be controlling. Such procedures provide for notice, investigation and discussion, and good faith efforts to resolve the dispute. In the event such procedures fail, Article XX of the Declaration provides for mediation and, if necessary, binding arbitration.

2. Disputes between Owners and/or Guests. The Master Association encourages Owners or Guests with disputes among themselves to resolve such disputes without court proceedings. The Master Association may take reasonable steps to facilitate negotiations or mediation between Owners and/or Guests, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them. The recommendations below are guidelines which Owners and/or Guests may find helpful in preventing and resolving disputes with other Owners and/or Guests.

- Get to know your neighbors. Communities where residents know each other are often safer.
- If a problem does arise, wait until you are calm, think about the problem, try to avoid making assumptions, and then bring the problem to your neighbor's attention respectfully.
- If safety is not an issue, meet and talk with your neighbor face-to-face, state your position assuming that he or she wants to resolve the conflict or he or she might not even be aware of the problem, and then listen to his or her response without interrupting.

- Keep an open mind to avoid adopting a “right” and “wrong” view of the problem and try to work together with your neighbor to come up with a solution;
- If safety is an issue, call the police. It is likely the best and fastest way to deal with the problem.

## **IX. Community Rules.**

### **STRATTON FLATS COMMUNITY RULES**

1. Garbage, Refuse, and Compost. The following rules supplement the provisions of Section 10.12 of the Declaration regarding garbage and trash removal. No refuse, garbage, trash, lumber, grass, shrub, tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse or debris of any kind shall be kept, stored, or allowed to accumulate on any Site except within an enclosed structure or appropriately screened from view, except that any container containing such materials may be placed outside at such times as may be necessary to permit garbage or trash pick-up. To reduce potential bear and other wildlife problems, refuse must be disposed of as follows:

- a. Prior to disposal, any refuse that might attract bears or other wildlife shall be kept within the garage or enclosed structure in a the receptacle provided by the Association;
- b. Trash containers shall be taken to the collection point the morning of collection and shall not be put out the night before the morning of collection;
- c. There shall be no dumps or underground disposal of refuse within Stratton Flats; and
- d. Compost piles shall consist only of leaves, grass, branches, or other plant matter and shall not contain any food items.

2. Animals and Pets. The following rules supplement the provisions of Section 10.13 of the Declaration regarding animals and pets.

- a. No animals (excepting dogs and cats, subject to the terms of the Declaration), livestock, or poultry of any kind shall be raised, bred or kept on any Site, except that domesticated birds or fish and other small domestic animals permanently confined indoors will be allowed, provided that they are not kept, bred, or maintained for any commercial purpose.
- b. An Owner may have an aggregate of not more than three (3) domesticated animals (e.g., two cats and one dog) per household, subject to all applicable local ordinances. The Board, in its sole discretion, may reasonably restrict the household pet from being kept on a case-by-case basis.

c. In no event will any dog whose breed is known for its viciousness or ill temper, in particular, a “Pit Bull”, nor any animal of any kind that has venom or poisonous capture mechanisms, be allowed in Stratton Flats. The Master Association reserves the right to make a determination that any particular pet is too dangerous to be allowed in Stratton Flats. No animal of any kind shall be permitted which in the sole opinion of the Master Association makes an unreasonable amount of noise or odor, is a nuisance, or is a threat to public safety. For the purposes of this rule a “Pit Bull” is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying the majority of physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds.

d. Pet owners shall clean up after their pet(s) and dispose of any feces in suitable containers. Pets shall not be allowed to damage grass, shrubs, trees or any other portion of the Common Elements. Expenses and costs resulting from damage to shrubs, trees, or open space properties will be the responsibility of the Owner of the Site at which the responsible pet is kept.

e. Pets, including dogs and cats, shall not be allowed to roam unrestrained outside the responsible Owner’s Site.

f. Pets shall not be chained or tethered outdoors, unattended, so as to become an annoyance or nuisance to others from barking or such other cause.

g. Animals must be licensed as required by law.

h. With the exception of bird feeders, the feeding, baiting, salting, or other means of attracting wildlife is prohibited.

i. All pets shall be controlled by their Owner and shall not be allowed off the Owner’s Site except when properly leashed and accompanied by the pet Owner or such Owner’s representative.

j. Each Owner or part-owner of a pet shall be jointly and severally liable and financially responsible for any damage caused by the pet, and shall be responsible for all costs incurred by the Master Association or its agent as result of noncompliance with these animal and pet regulations.

k. When outside the residence on an Owner’s Site, dogs shall be confined by: (1) confinement in an area bounded by an above-ground fence; (2) confinement in a kennel; (3) confinement in an area bounded by an invisible electric fence attached to the Owner’s residence; or (4) a leash attached to a person. Dogs shall not be allowed to chase or molest persons or their property, vehicles, wildlife or domestic animals.



1. Dogs shall not be allowed to bark continuously, which shall be defined as barking for a fifteen (15) minute period, including successive barks or a series of barks which repeat or resume following a brief to temporary cessation.

m. Any violation of the Declaration or of these Rules and Regulations concerning pets, shall subject an Owner to the rights and remedies allowed or provided the Master Association in the Declaration, and shall also subject the Owner to a reasonable fine assessment imposed by the Board as set forth in the Master Association's Enforcement Policy.

3. Vehicles and Parking. The following rules supplement the provisions of Section 10.07 of the Declaration regarding vehicles and parking.

a. Maintenance, Repairs and Washing. No maintenance, servicing, repair, mechanical work, body work, engine work, dismantling or repainting of any type of vehicle, boat, machine or device may be carried on except within a completely enclosed structure, such as an Owner's garage, which screens the sight and sound of such activity from the street and from other Sites. No work may be conducted or carried on so as to become an annoyance, nuisance, eyesore or hazard. Car and other vehicle washing will only be permitted in the Site Owner's driveway.

b. Motorcycles, Campers, Trailers, Commercial and Recreational Vehicles. No boat, camper (on or off supporting vehicles), trailer, truck, industrial or commercial vehicle (both cabs or trailers), towed trailer unit, motorcycle, disabled, junk or abandoned vehicles, motor home, camper, recreational vehicle, or any other vehicle, the primary purpose of which is recreational, sporting or commercial use, shall be parked or stored in, on, or about any Site or street within Stratton Flats except within the Owner's attached garage, or unless such vehicles are concealed from view and approved by the Design Review Board, or unless parked within a designated space or lot after obtaining a special permit approved by the Board or its designated agent. For the purposes of this covenant, a ¾ ton or smaller vehicle commonly known as a pickup truck shall not be deemed a commercial vehicle or truck.

c. Inoperative, Unused or Abandoned Vehicles. No inoperative, unused or abandoned vehicle shall be stored, parked, maintained or kept upon any part of Stratton Flats, including any street, or way of access within Stratton Flats except within the Owner's attached garage, or unless such vehicles are concealed from view and approved by the Design Review Board, or unless parked within a designated space or lot after obtaining a special permit approved by the Board or its designated agent. "Inoperative, abandoned or unused vehicle" shall mean any automobile, truck, motorcycle, motorbike, boat, trailer, camper, house trailer, or other vehicle which has not been driven under its own propulsion or has not been moved out of Stratton Flats for a period of one (1) week or longer, or which does not have an operable propulsion system.

d. Parking Restrictions. The number of vehicles parked at each Site is limited to the number of vehicles which can be completely contained in the garage and on

the Owner's private driveway. No parking shall be permitted on the streets. This restriction, however, shall not restrict trucks or other commercial vehicles within Stratton Flats, which are necessary for construction or for maintenance of the Common Elements or Sites. In the event that the Master Association shall determine that a vehicle is in violation of this rule, then a written notice describing the vehicle may be personally delivered to the owner thereof, if known, or shall be conspicuously placed upon the vehicle and the vehicle may be booted or towed at the owner's expense. No vehicle, trailer or vehicle accessory shall impede snowplowing of the streets. If any such vehicle or accessory is allowed to impede snowplowing then such vehicle may be towed at the owner's expense without notice. Vehicles parked in fire lanes or reserved spaces, if any, may be towed without notice at the owner's expense.

e. Exceptions for Emergency Vehicles. Notwithstanding these Vehicle and Parking Rules the Master Association shall not prohibit, the parking of a motor vehicle by the occupant of a Site on a street, driveway, or guest parking area in Stratton Flats if the vehicle is required to be available at designated periods at such occupant's residence as a condition of the occupant's employment and all of the following criteria are met:

i. The vehicle has a gross vehicle weight rating of ten thousand pounds or less;

ii. The occupant is a bona fide member of a volunteer fire department or is employed by a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services;

iii. The vehicle bears an official emblem or other visible designation of the emergency service provider; and

iv. Parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other unit owners or occupants to use streets, driveways, and guest parking spaces within the common interest community

f. Violations of Vehicle and Parking Rules. Any violation of the Master Association's Vehicle and Parking Rules shall subject an Owner to the rights and remedies allowed or provided to the Master Association in the Declaration, and shall also subject the Owner to a reasonable fine assessment imposed by the Board as set forth in the Master Association's Enforcement Policy.

#### 4. Single-Family Home Yard Maintenance.

a. Front Yard Maintenance. As provided for in Article IX of the Declaration as amended from time to time, the front yard areas of all Single-Family Lots shall be maintained by the Master Association. However, such maintenance by the association shall be limited to turf areas and maintaining irrigation located therein. All trees, bedded areas, including the mulch, drip lines, flowers, and bushes shall be the responsibility of

the Owner to maintain and replace. Such areas shall be maintained in an enticing manner including replacement of suitable levels of bark and mulch and plant materials. Any and all repairs to retaining walls or berms bordering such areas shall be the responsibility of the Owner. Any expansion of such areas into the turf areas or additions of trees or bushes in existing areas shall require Design Review Board approval. No alterations or additions to the turf areas maintained by the association shall be allowed without prior Design Review Board approval.

b. Side and Rear Yard Maintenance. All aspects of side and rear yard maintenance of Single-Family Lots shall be the responsibility of the Owner, including maintenance of fence and gravel along the perimeter of such areas.

c. Driveways. Driveways and other areas not encompassing the turf areas, up to the edge of the sidewalk (or street if no sidewalk is located as the edge of the yard), shall be the responsibility of the Owners to maintain and keep in good working order and repair.

d. Association Permissible Additional Maintenance. As provided for pursuant to Section 9.02(e) of the Declaration, in the event an Owner does not keep any area of their yard or home exterior in good condition, the Association shall have the right to perform such needed repairs and all such related costs and expenses shall be added to the Owners account. Such costs and expenses may include the cost of pursuing any remedies available to the Master Association under the Governing Documents in addition to fines or other charges imposed in accordance with the Master Association's Enforcement Policy.

5. Design Review Board Rules and Regulations. The Design Review Board Rules and Regulations supplement and are in addition to the applicable provisions contained in Article VIII of the Declaration. Decisions concerning the approval or denial of a Site Owner's application for architectural or landscaping changes shall be made in accordance with standards and procedures set forth in the Declaration as supplemented by these Rules and Regulations and other resolutions or guidelines as may be adopted by the Design Review Board from time to time, but under no circumstances shall the decisions of the Design Review Board be made arbitrarily or capriciously.

a. Home Construction and Modifications. Any construction, addition or modifications of, or to, any Site by any party other than the Declarant, its successor(s) or assignee(s), shall require the approval of the Design Review Board and if applicable, the Town of Gypsum prior to the commencement of any construction or alteration.

b. Exterior Home Colors. All homes shall be painted in one of the color palettes approved by the Design Review Board. Any proposed exceptions from the approved color palette shall require Design Review Board approval. A current list of the approved color palettes may be posted on the Master Association's website, if any, and shall be made available within a reasonable time after a written request for such information is submitted to the Design Review Board or its authorized agent.

c. Satellite Dishes. In accordance with Section 8.02(e) of the Declaration, the Design Review Board has determined that satellite dishes shall be allowed, so long as such dishes are attached to the exterior of the home and are located on the side or rear of the homes. No dishes shall be installed on poles in the yard or adjacent to the home.

d. No Temporary Structures. In accordance with Section 8.02(f) of the Declaration, the Design Review Board has determined that no tent, shack, temporary structure, or temporary building shall be placed upon any property within Stratton Flats except with the prior written consent of the Design Review Board or as otherwise provided for in accordance with Master Association's Vehicles and Parking Rules.

e. Storage Sheds. Storage sheds may be approved by the Design Review Board on occasion if approval of the specific plans for a proposed storage shed would be consistent with the aesthetic principles and best interests of Stratton Flats as determined by the Design Review Board. At a minimum, such approvals will require that such structure is located in the back yard of the Site, is no more than one (1) story tall, that all exterior materials of the structure match the exterior of the home, and that the structure is used exclusively for storage purposes.

f. Fences. All new fences or modifications to existing fences require Design Review Board approval and such plans shall show the location and schematics of such proposed fence. All fences shall be constructed of cedar pickets, shall be six (6) feet tall, shall have posts sunk a minimum of two (2) feet deep, shall only encompass the back yards of each home, meaning that they shall not extend past the front corner of the home, and shall be stained using the consistent stain brand and color as may be prescribed by the Design Review Board from time to time. Fences located along property lines between homes shall be constructed using alternating, eight (8) foot long sections. Each Owner shall, at such Owner's sole cost and expense, be responsible for periodically staining and maintaining in good working order and repair any fence located on such Owner's Site. No fences shall be permitted in the front yard of any home and all fence side and rear boundaries shall be located on the property lines.

g. Trampolines. Trampolines shall be allowed so long as they are located in the rear yard of the Site and a properly installed fence is erected to shield such trampoline from view. Although not always shielded from view, cages or screens surrounding the outer rim of the trampoline are permitted to promote safety of the users, however all reasonable attempts shall be made by the Owner to minimize the visual impact to surrounding community members.

h. Other Exterior Modifications. All other temporary or non-permanent exterior modifications, including but not limited to hot tubs, barbeque pits, greenhouses, decks, porches, awnings, gardens, and play sets, shall be confined to the back yard of the home, and shall be no more than six (6) feet tall unless a variance to this height restriction is first obtained by the Owner from the Design Review Board prior to construction or placement.

6. Other Restrictions.

a. Nuisance. In supplement of the provisions set forth in Section 10.06 of the Declaration regarding nuisances, no noxious, offensive, dangerous or unsafe activity shall be carried on any Site or the Common Elements of Stratton Flats, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants or which may interfere with their peaceful enjoyment of their own Site. No Owner shall make or permit any disturbing noises or nuisance activities or do or permit anything to be done that will interfere with the rights, peaceful enjoyment and comforts or convenience of other Owners or occupants. No Owner or occupant shall play, or suffer to be played, any musical instrument or operate, or suffer to be operated, an engine, device, phonograph, television set, radio, or stereo at high volume or in any other manner that shall cause unreasonable disturbances to other Owners or occupants.

b. Compliance with Laws. In supplement to the provision set forth in Section 10.08 of the Declaration, no unlawful use may be made of any portion of Stratton Flats. Owners shall comply with and conform to all applicable laws and regulations of the United States, State or Colorado, and Town of Gypsum, all local ordinances, the Declaration, Plat, Articles, Bylaws, other rules, resolutions, and instruments adopted by the Master Association or Design Review Board for the regulation and management of Stratton Flats. Any violating Owner shall hold the Master Association and other Owners harmless from all fines, penalties, costs and prosecutions or any violation or noncompliance.

c. Restrictions on Signs and Advertising. Subject to Section 10.14 of the Declaration and excepting "For Sale" or "For Rent" signs as provided below, no device or display of any kind shall be erected or maintained anywhere within Stratton Flats so as to be evident to public view, except: (a) signs as may be approved in advance in writing by the Design Review Board, or (b) signs, posters, billboards or any other type of advertising device or display erected by Declarant, its successors or assigns, incidental to the development, construction, promotion, marketing or sales of Sites within Stratton Flats, or (c) a political sign displayed by the Owner or occupant of a Site within the boundaries of the Site or in a window provided that political signs may not be displayed earlier than forty-five (45) days before the day of an election and must be removed by no later than two (2) days after an election day and that the size and number of political signs is limited as set forth in the Declaration. A sign advertising a Site "For Sale" or "For Rent" may be placed on a Site; provided, however, that it is attached to or in near proximity of the residence on an improved Site, or is set back at least twenty (20') from the front Site line on a vacant Site, and does not exceed one (1) sign, of no more than 24" X 36" in size. Standards relating to dimensions, color, style, and location of such sign may be determined from time to time by the Design Review Board.

d. Storage. No building materials shall be stored on any Site except temporarily during continuous construction of an improvement.

e. Owner's Right to Lease Site. In supplement to the provision set forth in Section 10.05 of the Declaration, all Owners shall have the right to lease such Owner's Site provided that (a) all leases shall be in writing; (b) all leases shall be for an entire Site with a completed residence thereon; (c) all leases shall provide that the terms of the lease and the lessee's occupancy of the Site shall be subject to this Declaration and the Master Association Documents and that any failure by the lessee to comply with any of the aforesaid documents in any respect shall be a default under such lease; (d) no lease shall allow for more than one (1) unrelated person per bedroom and no more than two (2) cars in driveway; (e) the total occupants of the Site shall not exceed the number of bedrooms in the home plus two (2); (f) such Owner shall notify the Association immediately in writing, upon the leasing of such Site and register with the Association both the name(s) of the tenant(s) and new mailing information for notices to be sent by the Association directly to such Owner; and (g) such Owner shall be responsible for actions or inactions of such Owner's tenants and any failure of said tenant to comply with the terms of this Declaration or the Master Association Documents shall constitute a violation by such Owner subjecting such Owner to all of the remedies, fines and penalties set forth in the Declarations, and other Master Association Documents including these Rules and Regulations.