

## **ADOPTION / AMENDMENT OF PROCEDURES**

Any existing procedure may be amended or new procedure may be adopted by a vote of the Board of Directors at any scheduled Board meeting after being drafted and submitted to the membership for review and comment at least thirty [30] days prior to adoption.

## **BOARD MEMBER CONFLICT OF INTEREST**

Board members must declare any conflict of interest [defined as financial gain to Board member or parent, grandparent, spouse, child, sibling of Board member or spouse of any of those persons] in an open meeting. Though said Board member is prohibited from voting on any issue when such conflict exists, he may participate in discussions prior to the vote.

## **EXAMINATION OF ASSOCIATION RECORDS**

Any member of the Association may contact the management company and have access during normal business hours to relevant, requested records within a reasonable length of time. Copies will be provided at a charge per statute.

## **COLLECTION POLICY**

All owners receive payments coupon books and have an automatic bank draft payment option for payment of dues assessments, which are due the 1<sup>st</sup> day of the month. If payment is not received by the \_\_\_\_ of the month, the owner will be notified in writing and by email with a past due statement. Any owner delinquent in the payment of monthly dues or special assessments or late penalties shall be assessed the following fees and penalties:

After 30 Days – A late payment penalty of \$50 and a 30 Day letter will be sent

After 60 Days – A late payment penalty of \$50 and a 60 Day letter will be sent which indicates an intention to file a lien if the Association is not paid in full before 90 days.

After 90 Days- Apply a late payment penalty of \$50, file a lien against the Unit, send a 90 Day letter with a copy of the lien and charge the Unit a filing fee of \$100 and a processing fee of \$300. The Board may pursue legal action, including foreclosure at this time.

For Any Payment Received less than the full amount owed to the Association, the Payment shall be applied in the order listed, from oldest to most recent in each category:

1. Attorney fees, court fees, filing fees and processing fees
2. Association costs & Expenses not included in #1
3. Late Charges
4. Interest, if any
5. Utilities, fines and storage charges, if any
6. Special Assessments
7. Assessments

## **CONDUCT OF MEETINGS**

- All Regular and Special Meetings, Executive Committee and Committee Meetings of the Association are open to the membership;
- Notice of any unit owner meetings will be physically posted in a conspicuous place, if feasible, in addition to any electronic postings or mail notices that are given.
- The Association will use electronic means of giving notice of unit owner meetings. If electronic means are available, the Association will email meeting notice to unit owners who request it and provide the Association with their email addresses.

- The Board will allow a unit owner to comment prior to its taking formal action on an item under consideration; however, the Board may place reasonable time restrictions on the person speaking.
- Votes for contested positions for Board members at Annual Meetings will be taken by secret ballot. At the discretion of the Board, or if requested by 20% of unit owners present or represented by proxy, if a quorum has been achieved, secret ballots will be used for a vote on any other matter on which all unit owners are entitled to vote. Ballots will be counted by a committee of unit owners not candidates or Board members.
- Proxies are not valid if obtained through fraud. The Association may reject votes, ballots, or proxies, if the person tabulating votes has reasonable basis to doubt their validity. The person who rejects a vote, ballot, or proxy is not subject to damages. All actions of the Association regarding such rejections are valid unless a court determines otherwise.

## **ENFORCEMENT OF COVENANTS**

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

## **INVESTMENT OF RESERVE FUNDS**

The Association will:

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

## **RESERVE STUDY POLICY**

The Association is obligated to maintain, repair, replace or improve certain improvements of the community. The Association will conduct periodic reserve studies based on physical analysis and financial analysis and may obtain assistance from the management company or an independent reserve study specialist. The Board intends to fund improvements through regular assessments; however unforeseen circumstances may require increases in regular assessments, special assessments, borrowing funds or some combination of these options.

## **CONFLICT RESOLUTION**

The Association will use an alternative dispute resolution process prior to litigation in dealing with conflicts between unit owners and the Association.

# POLICIES AND PROCEDURES

## INSURANCE GUIDELINE

### ADDENDUM

#### INSURANCE

The Association purchases general liability and property insurance through Wildercrest Property Management [WPM] for all the common elements. The Board has determined that adoption of insurance guidelines designed to clarify individual owner responsibilities is necessary and proper.

The Association, through its Board of Directors shall obtain and keep in full force and affect the following insurance coverages:

- Casualty to Property
- Comprehensive General Liability
- Fidelity Insurance/Directors and Officers/Employee Dishonesty

Owners are urged to obtain their own insurance coverages for:

- Property and Liability on the unit [HO6]
- Casualty to Property
- Public Liability
- Loss Assessment

Owners are strongly advised to urge their renters to carry a Renter's Insurance Policy [HO4].

Owners should note that the Association does not insure against lost rent for uninhabitable units; the Association and its insurance policies will not honor any claims for loss of rents.

Claims on behalf of Owners; the HOA will:

- Refuse to submit a claim less than the deductible
- Serve as the claims adjuster contact
- Notify the insurance agent of a loss; owner must inform HOA within 48 hours of known loss
- Seek a contractor
- Negotiate a dispute between insurance carrier; the owner must accept the BOD decision

Payment of Insurance Deductible

- BOD may assess individual owners or Association for shortfalls per the Declaration's designation of responsibilities
- Owners are responsible for paying all deductibles under their HO6/HO4 policies
- The Association reserves the right [via the Board] to allocate payment and proportions of the same to Association and Owners as well as pay the deductible and later charge the Owner.
- Deductible assessments are to be paid within 30 days or the amount will be added to the Owner's account as an Individual Assessment.

The Association additionally has the right to make an assessment based on:

- Negligent or Willful Acts or Omissions
- Increases in Insurance Premium due to Owner Activities
- Right to Collect from Owner upon Default

\*To the extent that a court of law invalidates or voids any part of the insurance guidelines, the provisions not invalidated and voided remain valid, effective and enforceable.