

**RULES, REGULATIONS AND POLICIES  
OF  
THE CORRAL AT BRECKENRIDGE HOMEOWNERS ASSOCIATION**

**(CCIOA COMPLIANT)**

**ADOPTED AUGUST 9, 2014**

The Corral at Breckenridge Homeowners Association (“Association”) has adopted these Rules, Regulations and Policies (“Rules”) pursuant to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge, recorded in the records of Summit County, Colorado, on November 6, 2013, at Reception No. 1041297, as that document may be amended from time to time (“Declaration”), in order to maintain compliance with the requirements of the Colorado Common Interest Ownership Act (CCIOA). All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Declaration and/or the Bylaws of the Association. These CCIOA Compliant Rules are in addition to all House Rules adopted by the Association.

1. **Purpose and Scope.** The purposes for which the Association is formed are: to be the Owner’s Association provided for in the Declaration; to operate and govern the common interest community known as The Corral at Breckenridge; to provide for the administration, management, maintenance, preservation and architectural review of the Units and Common Elements within The Corral at Breckenridge community; to enhance property values; and to promote the health, safety, welfare and recreation of the Owners within The Corral at Breckenridge community.

2. **Authority.** The Executive Board of the Association, acting under the authority granted by the Declaration and Bylaws, and in accordance with the Act, has adopted the rules, regulations and policies set forth herein, for The Corral at Breckenridge Homeowners Association, all of which shall be applicable to all Owners. The provisions of these rules, regulations and policies shall be in addition to and supplemental to the terms and provisions of the Declaration and the laws of the State of Colorado governing the Project. The Executive Board may deviate from the rules, policies and procedures set forth herein if, in its sole discretion, such deviation is fair and reasonable under the circumstances and if such deviation does not violate Colorado law.

3. **Association Policy and Procedures for the Adoption of Policies, Procedures, Rules, Regulations, or Guidelines.** The Association’s policies and procedures for the adoption of policies, procedures, rules, regulations, or guidelines shall be as set for herein.

(a) **Scope.** The Executive Board of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

(b) Drafting Procedure. The Board shall consider the following in drafting the Policy:

(i) whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;

(ii) the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and

(iii) the immediate and long-term impact and implications of the Policy.

(c) Notice. A copy of the proposed Policy may be posted on the Association's website prior to adoption by the Board.

(d) Adoption Procedure. Upon adoption of a Policy, a copy of the Policy (including the effective date) shall be promptly delivered or mailed to all Owners. Additionally, the Policy may be posted on the Association's website.

(e) Policy Book. The Executive Board shall keep records of any and all adopted Policies with the governing documents of the Association.

4. **Association Policy and Procedures for Covenant and Rule Enforcement.** The Association's policies and procedures for the enforcement of the covenants and rules of the Association shall be as set forth herein.

(a) Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's Manager or management company, if any, Board member(s) or committee member(s) by submission of a written complaint.

(b) Complaints. (i) Complaints by Owners or residents shall be in writing and submitted to the Executive Board. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association; (ii) Complaints by a member of the Executive Board, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or Manager.

(c) Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

(d) Initial Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have 5 days from the date of the letter to come into compliance.

(e) Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance with 5 days of the first warning letter, such will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 7 days of the date of the second violation letter.

(f) Continued Violation After Second Letter. If the alleged Violator does not come into compliance with 5 days of the second letter, such will be considered a third violation for which a fine may be imposed following notice and opportunity for a hearing. A third letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 7 days of the date on the third violation letter.

(g) Continued Violation After Third Letter. If the alleged Violator does not come into compliance within 5 days of the third letter, such will be considered a fourth violation for which a fine may be imposed following notice and opportunity for a hearing. A fourth letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 7 days of the date on the fourth violation letter.

(h) Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least 5 days prior to the hearing date.

(i) Hearing. At the beginning of each hearing, the presiding officer shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator are required to be in attendance at the hearing. The Board shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board shall, within

a reasonable time, not to exceed 10 days, renders its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

(j) Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 7 days of any letter, or fails to appear at any hearing, the Board may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.

(k) Notification of Decision. The decision of the Board, committee or other person, shall be in writing and provided to the Violator and Complainant within 10 days of the hearing, or if no hearing is requested, within 10 days of the final decision.

(l) Fine Schedule. The fine schedule has been adopted for all recurring covenant violations:

First Violation	Warning Letter
Second Violation (of same covenant or rule)	\$100.00
Third Violation (of same covenant or rule)	\$150.00
Fourth and Subsequent Violations (of same covenant or rule)	\$200.00

Fourth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action.

(m) Continuous Violations. Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. Each day of noncompliance with such violations constitutes a separate violation. *For example: the failure to remove an unapproved exterior improvement or the continuous parking in a fire lane.*

If an owner is determined as having a continuous violation, in accordance with the terms of the Policy, such Owner may be subject to a daily fine of \$50.00 per day per covenant if not corrected, following a notice and opportunity for a hearing as set forth above.

(n) Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or Rules.

(o) Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

5. **Association Policies and Procedures for the Investment of Reserve Funds.**  
The Association's policies and procedures for the investment of reserve funds shall be as set forth herein.

(a) Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of the Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.

(b) Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Executive Board may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.

(c) Investment of Reserves. The Executive Board of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies:

(i) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.

(ii) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.

(iii) Minimal Costs. Investments costs (redemption fees, commissions and other transactional costs) should be minimized.

(iv) Diversify. Mitigate the effects of interest rate volatility upon reserve assets.

(v) Return. Funds should be invested to seek the highest level of return.

(d) Limitation on Investments. Unless otherwise approved by the Board, all investments shall be made pursuant to the Association's Investment Policy Statement.

(e) Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.

(f) Independent Professional Investment Assistance. The Executive Board of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

(g) Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are received competitive yields and shall make prudent adjustments as needed.

6. **Association's Policies and Procedures regarding Board Member Conflicts of Interest.** The Association's policies and procedures regarding conflicts of interest of members of the Executive Board shall be as set forth herein.

(a) General Duty. The Executive Board shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.

(b) Definitions.

(i) "Director" means a member of the Association's Executive Board.

(ii) "Party related to a Director" means a spouse, 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 beneficial interest, or an entity in which a party related to a Director is a director or officer or has a financial interest.

(iii) "Conflicting interest transaction" means any Action meeting the definition of a conflict of interest as set forth in Section 6.12 of the Bylaws.

(c) Loans. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be personally liable to the Association for the amount of the loan until it is repaid.

(d) Declaration of Conflict of Interest. In the event a conflict of interest exists, then that interested member of the Executive Board or the Executive Board, as the case may be, shall declare that a conflict of interest exists. The interested member of the Executive Board or the Executive Board shall declare the conflict of interest as soon as is reasonably practicable upon the introduction of a motion or discussion regarding the action, and shall describe in detail all of the particular facts of the conflict of interest. The declaration of a conflict of interest may be set forth in writing by the interested member or the Executive Board, in which case the written description of the conflict shall be read aloud into the record by a disinterested member, or may be presented verbally.

(e) Vote of Interested Member. After a conflict of interest is declared, the interested member may not participate in a discussion of the matter giving rise to the conflict of interest nor vote on the Action. The interested member of the Executive Board may be counted for purposes of determining quorum. In the event multiple members of the Executive Board declare or are declared to have a conflict of interest, the affirmative vote of a majority of the remaining members shall constitute an act of the Executive Board.

(f) Code of Ethics. In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

(i) No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.

(ii) No contributions will be made to any political parties or political candidates by the Association.

(iii) No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.

(iv) No Director shall accept a gift or favor made with intent of influencing decision or action on any official matter.

(v) No Director shall receive any compensation from the Association for acting as a volunteer.

(vi) No Director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.

(vii) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.

(viii) No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.

(ix) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.

(x) Any Director convinced of a felony shall voluntarily resign from his/her position.

(xi) No Director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.

(xii) Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.

7. **Association's Policies and Procedures for the Conduct of Meetings.** The Association's policies and procedures for the conduct of meetings shall be as set forth herein.

(a) **Owner Meetings.** Meetings of the Owners of the Association shall be called and conducted pursuant to the Bylaws of the Association.

(b) **Notice.**

(i) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be physically posted in a conspicuous location within the community at least seven (7) days prior to each such meeting, or as may otherwise be required by Colorado law.

(ii) The Association shall also post notice on its website, if any, of all meetings. Such notice shall be posted at least seven (7) days prior to such meeting.

(c) **Conduct.**

(i) All Owner meetings shall be governed by the following rules of conduct and order:

1. The President of the Association or designee shall chair all Owner meetings.

2. All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate.

3. Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.

4. Anyone wishing to speak must first be recognized by the Chair.

5. Only one person may speak at a time.

6. Each person who speaks shall first state his or her name and Unit address.

7. Any person who is represented at the meeting by another person, as indicated by a valid proxy, will be permitted to have such person speak for him/her.

8. Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.

9. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.

10. Each person shall given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to ask questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.

11. All actions and/or decisions will require a first and second motion.

12. Once a vote has been taken, there will be no further discussion regarding that topic.

13. So as to allow for an encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the Association.

14. Anyone disrupting the meeting, as determined by the Chair shall be asked to “come to order”. Anyone who does not come to order will be requested to immediately leave the meeting.

15. The Chair may establish such additional rules of order as may be necessary from time to time.

(c) Board Meetings. Meetings of the Executive Board of the Association shall be called and conducted pursuant to the Bylaws of the Association.

(d) Conduct.

(i) All Board meetings shall be governed by the following rules of conduct and order:

1. The President of the Association, or designee, shall chair all Board meetings.

2. All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address.

3. All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate so at the time of sign in.

4. Anyone desiring to speak shall first be recognized by the Chair.

5. Only one person may speak at a time.

6. Each person speaking shall first state his or her name and Unit address.

7. Any person who is represented by another person as indicated by a valid proxy at the meeting shall be permitted to have such person speak for them.

8. Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.

9. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.

10. Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may increase or decrease by the Chair but shall be uniform for all persons addressing the meeting.

11. No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

12. Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order". Anyone who does not come to order shall be requested to immediately leave the meeting.

(e) Owner Input. At a time determined by the Board, but prior to a vote by the Directors, Owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion as follows:

(i) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to

speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.

(ii) Following Owner input, the Chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Executive Board votes to open the discussion to further Owner participation.

9. **Insurance Claims by Owners.** Subject to C.R.S., § 10-4-110.8(5), as may be amended, a Unit Owner shall have the right to file a claim against the insurance policy of the Association. The Association's insurer, when determining premiums to be charged to the Association, shall not take into account any request by a Unit Owner for clarification of coverage. In making such a claim against any insurance policy of the Association, the Unit Owner must follow this procedure:

(a) The Unit Owner must first contact the Board of Directors in writing regarding the subject matter of the claim;

(b) The Unit Owner must give the Association at least twenty (20) days to respond in writing, and give the Association a reasonable opportunity to inspect the damage; and

(c) The Unit Owner will only be allowed to make a claim if the subject matter of such claim falls within the responsibility of an insurance policy of the Association.

10. **Assessment of Insurance Deductibles.** When the Association, or a Unit Owner, settles a property insurance claim with any insurance policy of the Association, the Association shall have the power to assess the negligent Unit Owners causing the loss, if any, or Unit Owners benefiting from the repair or restoration, all deductibles paid by the Association. If more than one Unit is damaged by a loss, the Association, in its reasonable discretion, may assess each Unit Owner a pro-rata share of any deductible paid by the Association. Any such deductible shall be levied and collected as an assessment against the Unit of the responsible Unit Owner.

11. **Association Policies and Procedures regarding Dispute Resolution.** The Association's policies and procedures regarding dispute resolution shall be as set forth herein.

(a) **General.** It is the general policy of the Association to encourage the use of negotiation and mediation, and in certain instances arbitration, to resolve disputes between the Association and an Owner. Such policy will, it is hoped, avoid the cost, complexity and delay inherent in court proceedings which can make litigation an inefficient means of resolving such disputes. The policies and procedures set forth herein shall not apply to the collection of Assessments, the enforcement of the Declaration, and the enforcement of the Rules adopted by the Association.

(b) **Policy Regarding Negotiation and Mediation.** Negotiation between the Association and an Owner will be pursued in order to resolve all disputes between such parties before any lawsuit is filed, except in the case of the collection of Assessments, the

enforcement of the Declaration, and the enforcement of Rules adopted by the Association, subject to the following:

(i) Negotiation and mediation will not be used with respect to situations that involve an immediate threat to the peace, health or safety of the Association and/or the Project.

(ii) Negotiation and mediation will not be pursued by the Association if an Owner refuses to participate in such process.

(iii) Mediation shall be conducted before a trained mediator having familiarity with the governance of Colorado community associations and with an understanding and knowledge of the Colorado Common Interest Ownership Act.

(iv) If mediation is to be pursued, the Association and the owner shall execute an agreement, prior to the commencement of the mediation process, which tolls any applicable statute of limitations while the parties are attempting to resolve the dispute through mediation.

(c) Negotiation. The Owner and the Association shall attempt in good faith to resolve any dispute covered by this policy promptly by negotiation between persons who have authority to settle the controversy ("Representatives"). Any party may give another party written notice of any dispute not resolved in the normal course of business. Within twenty (20) days after receipt of said notice, Representatives of the parties to the dispute shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within sixty (60) days of the notice of dispute, or if the parties fail to meet within twenty (20) days, any party to the dispute may initiate mediation of the controversy as provided below. Any meeting required by this paragraph may occur by telephone.

(d) Mediation. If the dispute has not been resolved by negotiation as provide above, either party pay give written notice to mediate ("Mediation Notice") and the parties shall endeavor to settle the dispute by mediation between their respective Representatives with a neutral third party mediator. If the parties encounter difficulty in agreeing on a neutral third party mediator, each of the Owner and the Association may appoint a neutral third party, and such third parties shall appoint a neutral third party to mediate. The mediation shall occur within sixty (60) days of the date of the Mediation Notice unless otherwise agreed, in writing, by both the Association and the Owner. The Representative of the Parties, each with full authority to settle the controversy, shall attend the mediation in person. The mediation shall be conducted in Summit County, Colorado, unless otherwise agreed, in writing, by both the Association and the Owner.

(e) Cost of Mediation. The cost of mediation shall be split equally among the parties involved in the mediation. In the event an Owner fails to pay the Owner's share of the cost of mediation, such amount shall be considered an Assessment against such

Owner's Unit, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado law.

(f) Policy Regarding Arbitration. In the event that any dispute between the Association and an Owner which falls within this policy is not resolved by negotiation or mediation, such dispute may, if both the Association and the Owner agree in writing, be resolved by binding arbitration conducted in accordance with the terms of this paragraph. In order to proceed under the terms and provisions of this paragraph, a party requesting binding arbitration shall submit to the other party to the dispute a fully completed and executed Arbitration Agreement in the form attached hereto as Exhibit A. In the event that the party to which a completed and executed Arbitration Agreement is submitted has not executed and returned such Arbitration Agreement within twenty (20) days after receipt of the executed Arbitration Agreement, it shall be conclusively presumed that the parties have not agreed to submit the dispute to binding arbitration. In such event, the dispute may thereafter be resolved as provided for in paragraph 10(g) below. If the Association and the Owner enter into an Arbitration Agreement, then:

(i) As soon as reasonably possible following execution by the Association and the Owner of an Arbitration Agreement, but not later than thirty (30) days after the date such Agreement is fully executed, the parties, in good faith, shall attempt to select a mutually acceptable arbitrator to hear and decide the matter or matters in controversy. In the event the parties cannot agree on a mutually acceptable arbitrator within sixty (60) days after the date of such Agreement, each party shall appoint an unrelated third party within seventy (70) days after the date of such Agreement and, within fifteen (15) days after the date of the appointment of the last of such unrelated third parties, such third parties shall appoint an arbitrator to hear and settle the dispute in accordance with the terms and provisions hereof. If any party does not appoint an unrelated third party in a timely manner or if such third parties cannot or do not appoint an arbitrator in a timely manner, then any party may make application to the District Court for Summit County, Colorado for appointment of an arbitrator.

(ii) The arbitration shall be conducted by a single arbitrator and the decision of the arbitrator shall be final, enforceable, binding and unappealable to any court of tribunal, except as otherwise provided by Colorado law. Such decision shall be enforceable with the same force and effect as if issued by any court of competent jurisdiction. The decision of the arbitrator shall be based upon the evidence and facts presented by the parties and shall be in accordance with Colorado law.

(iii) The costs of the arbitration, including reasonable attorney fees, shall be awarded by the arbitrator to the prevailing party. If there is no prevailing party, such fees and costs may be awarded at the discretion of the arbitrator who, in making such award may assess the relative good or bad faith of the parties throughout the dispute. In the event the arbitrator enters an award for fees and costs against the Owner and in favor of the Association, the Owner fails to pay such award, the amount awarded shall be considered an Assessment against such

Owner's Unit, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado law.

(iv) All arbitration proceedings shall be conducted to expedite resolution and minimize cost. Disclosures shall be required and discovery shall be allowed and both shall be governed by Rules 26-37 of the Colorado Rules of Civil Procedure, as amended, except that upon application of either party, or at the election of the arbitrator, the arbitrator, in the interest of justice and efficiency, may limit discovery as such arbitrator deems appropriate.

(v) Unless otherwise agreed in writing by the parties, the place of arbitration shall be in Summit County, Colorado.

(g) Failure of Alternative Dispute Resolution. In the event that the Association and the Owner have not resolved a dispute by negotiation and mediation, and the parties have not agreed to binding arbitration, such dispute may be the subject of an action brought by either party in either the Summit County Court or the Summit County District Court, as appropriate, according to Colorado law.

(h) Performance to Continue. Each party is required to continue to perform its obligations under the Declaration, Bylaws, and Rules, Regulations and Policies pending final resolution of any dispute.

(i) Extension of Deadlines. All deadlines specified in this policy may be executed by mutual written agreement of the parties.

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**CERTIFICATION**

By signature below, the secretary of the Executive Board certifies that these Rules, Regulations and Policies of The Corral At Breckenridge Homeowners Association (CCIOA Compliant) were approved and adopted by a majority vote of the Executive Board at a duly noticed and constituted meeting thereof on the date appearing below the secretary's signature.

**THE CORRAL AT BRECKENRIDGE  
HOMEOWNERS ASSOCIATION,**  
a Colorado nonprofit corporation

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

Secretary

Date: August 9, 2014

**EXHIBIT A**

**ARBITRATION AGREEMENT**

This Arbitration Agreement (“Agreement”) is made, effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between The Corral at Breckenridge Homeowner’s Association, Inc., a Colorado non-profit corporation (“Association”) and \_\_\_\_\_, Owner of Condominium Unit \_\_\_\_\_, The Corral at Breckenridge Condominiums.

1. Dispute to be Submitted to Arbitration. All claims, demands, disputes, controversies and differences that have arisen between the parties to this Agreement concerning \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

shall be settled by binding arbitration as set forth in this Agreement, in accordance with the policy of The Corral at Breckenridge Homeowners Association Regarding Alternative Dispute Resolution pertaining to Arbitration, and in accordance with the provisions of the Colorado Arbitration Act.

2. Procedures. The parties hereby adopt the procedures set forth in the Resolution of The Corral at Breckenridge Homeowners Association Regarding Alternative Dispute Resolution (“Resolution”) with respect to all matters pertaining to the Arbitration of the dispute described herein. The procedures set forth in such Resolution are, by this reference, incorporated herein.

3. Relief Requested. Each of the parties shall, within ten (10) days after the execution of this Agreement by all parties, submit to the other, in writing, a detailed description of the relief requested by such party in the arbitration proceeding. The parties shall thereafter follow the procedures for arbitration as set forth in the Resolution.

4. Bar to Suit. The parties hereby agree and stipulate that the provisions of this Agreement shall be a complete defense to any suit, action or proceeding instituted in any court with respect to this dispute or controversy arising out of and described in this Agreement and which is arbitral as set forth in this Agreement. The arbitration provisions of this Agreement shall, with respect to such controversy or dispute, survive this Agreement.

5. Governing Law. It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado.

6. Remedies. In the event of any breach of this Agreement by any party, or in the event any party is required to bring an action to enforce the terms of this Agreement, the non-breaching party, or the prevailing party in such action, shall be entitled to recover, in addition to all other remedies, such party’s reasonably attorney’s fees and costs incurred as the result of such breach or action. The parties hereby mutually waive any and all rights which either party may

have to request a jury trial in any proceeding at law or in equity in any court of competent jurisdiction in any case relating to this Agreement.

THE CORRAL AT BRECKENRIDGE  
HOMEOWNER'S ASSOCIATION  
a Colorado non-profit corporation

OWNER(S) OF UNIT \_\_\_\_\_:

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_