

**STUART PROFESSIONAL PARK CONDOMINIUM ASSOCIATION
POLICY AND PROCEDURES FOR ADDRESSING DISPUTES WITH OWNERS
Effective: December 1, 2012**

1. Introduction.

The Board of Directors (“Board”) of Stuart Professional Park Condominium Association, a Colorado nonprofit corporation (“Association”), acting pursuant to the powers set forth in the Association’s Bylaws, Articles of Incorporation, the Declaration of Condominium Stuart Professional Park , A Condominium (“Declaration”) (such documents being collectively referred to as the “Association Documents”), and the Colorado Common Interest Ownership Act (“CCIOA”), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purposes. The purposes of this Policy are to:

2.1 Set forth procedures to promote amicable resolution of disputes; and

2.2 Provide an optional framework for addressing disputes between the Association and Owners, but to protect the Association and other Owners from delay or an adverse effect on their rights by allowing proceedings to collect past due assessments, to remedy violations of Association Documents or any matter that may require an injunction, restraining order or protection order to proceed on a parallel track independent of the optional dispute resolution framework described in this Policy.

3. Types of Disputes.

3.1 Matters involving past due assessments are not ordinarily considered disputes subject to this Policy. Rather, these are considered collection matters to be handled in accordance with the Policy for Collection of Unpaid Assessments. If any Owner claims that payment of assessments should be excused or offset by any alleged act or omission of the Association, such Owner’s claim will be considered a dispute subject to the procedures in this Policy.

3.2 Enforcement actions regarding violations of the Association Documents, including proceedings seeking compliance by way of injunctive relief and/or proceedings to impose fines, shall be handled in accordance with the Policy for Enforcement of Covenants and Rules (Including Notice and Hearing Procedures and Schedule of Fines). If any Owner claims that any enforcement action should be abated because of any act or omission by the Association, such claim of abatement shall be considered a dispute subject to the procedures of this Policy.

3.3 All other disputes arising between the Association and any Owner shall be addressed as set forth in this Policy.

3.4 The types of disputes described above which are subject to this Policy are collectively referred to as "Disputes."

4. Notice of Dispute.

In the event of a Dispute between the Association and any Owner, either the Association or an Owner may provide written notice ("Notice") of the Dispute by U.S. Mail, first class postage prepaid to such address for the recipient shown by the public records. The Notice shall be considered effective three days following deposit in the mail. The Notice must contain specific information regarding the facts, circumstances and concerns giving rise to the Dispute.

5. Resolution or Mediation of Dispute.

5.1 Request for Mediation. Within thirty (30) days of receipt of the Notice, the Association and Owner shall make good faith efforts to discuss and resolve the Dispute amicably. If the parties are unable to reach an amicable resolution of the Dispute, either the Association or an Owner may request mediation by an independent, third-party mediator. A request for mediation ("Request") must be in writing and mailed to the Association or Owner by U.S. Mail, first class postage prepaid to such address for the recipient shown by the public records. The Request shall be considered effective three days following deposit in the mail. The parties shall make reasonable efforts to select a mediator and schedule mediation of the Dispute within 30 days after the effective date of the Request, or such longer time as the parties may agree upon in writing. The parties shall make reasonable efforts to use free or low cost mediation services to minimize expenses (i.e.: the Neighborhood Resources Office with the City of Fort Collins), if available. If the mediation does not occur within 30 days (or longer if so agreed in writing), or the parties are unable to settle the Dispute through mediation, the Association or Owner may pursue any other lawful remedy allowed by the Association Documents or Colorado law.

5.2 Mediation Fees and Costs. Fees and costs associated with the mediation, if applicable, including payment of fees to the mediator, shall be paid as follows:

5.2.1 The requesting party shall pay the mediator in advance for the first two hours of mediation.

5.2.2 If the mediation lasts more than two hours, the mediator's fees for time beyond the first two hours shall be divided equally between the Association and Owner(s), and paid at the conclusion of the mediation.

5.2.3 The Association and any participating Owner may be represented by their respective attorneys at the mediation. Each party shall pay their respective attorney fees associated with the mediation.

5.2.4 If an Owner requests mediation but fails to appear at the date and time scheduled for the mediation, the Owner shall pay all expenses of the Association related

to the mediation, including attorney fees and costs, and those expenses shall be assessed against the Owner as part of the Owner's Assessment.

5.3 Continuation of Hearing and Imposition of Fines. A Notice or Request by an Owner based on a matter where the Owner is asserting a defense or excuse shall not suspend or stay any fine hearing or imposition of fines in accordance with the Policy for Enforcement of Covenants and Rules (Including Notice and Hearing Procedures and Schedule of Fines). Any fines imposed prior to or after a Notice or Request is provided shall remain in place or continue to accrue (in the event of a continuing violation where a daily fine is imposed) pending mediation of the Dispute. Unless otherwise agreed by both parties, such fines shall remain legally collectable as Assessments in accordance with the Association Documents and Colorado law.

5.4 Continuation of Legal Proceedings. A lawsuit for the collection of Assessments or enforcement of the Association Documents may be commenced prior to or after receiving a Notice or Request, and such request shall not suspend or stay the lawsuit. The lawsuit shall continue forward, in addition to the mediation process described above, unless otherwise agreed upon by the parties in writing.

6. Variances.

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

7. Amendment.


This Policy may be amended from time to time by the Board.

CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Stuart Professional Park Condominium Association, a Colorado nonprofit corporation ("Association") certifies that the foregoing Policy and Procedures for Addressing Disputes with Owners was approved by the vote of 60% of the Association's Directors at a meeting of the Association's Board of Directors held on November 5, 2012.

Stuart Professional Park Condominium Association,
a Colorado nonprofit corporation

By:



Veronica Ray Secretary

**STUART PROFESSIONAL PARK CONDOMINIUM ASSOCIATION
CCIOA COMPLIANCE CHECKLIST**

Effective: December 1, 2012

1. Introduction.

This Checklist is intended to provide a simple reference tool for complying with the various disclosure requirements and recurring deadlines the Association must meet under the Colorado Common Interest Ownership Act (“CCIOA”).

2. Initial Disclosure to Owners Following the Period of Developer Control
(CCIOA Reference: §38-33.3-209.4(1))

What Information Must Be Disclosed	How Disclosures are Given	How Often	Comments
<p>The following information must be made available to the owners:</p> <ul style="list-style-type: none"> • The Association’s name; • The name of any designated agent or management company for the Association; • The physical address and telephone number for the Association and any designated agent or management company; • The name of the common interest community; • The initial date of the recording of the declaration; and • The declaration’s reception number or book and page where the declaration is located. 	<p>The information must be disclosed to the owners by:</p> <ul style="list-style-type: none"> • Posting the information on an internet web page with notice of the web address sent either by first-class mail or e-mail to all owners; • Maintaining a literature table or binder at the Association’s principal place of business; • Mailing the information to all owners; or • Personally delivering the information to all owners. (C.R.S. § 38-33.3-209.4(3)) 	<ul style="list-style-type: none"> • The information must be made available to the owners starting not more than 90 days after the period of developer control ends. 	<ul style="list-style-type: none"> • If the Association’s address, designated agent or management company changes, the Association must make the updated information available to the owners within 90 days after that change.

**3. Annual Disclosure to Owners (Required Only After Developer Control Ends)
(CCIOA Reference: §38-33.3-209.4(2))**

What Information Must Be Disclosed	How Disclosures Are Given	How Often	Comments
<p>The following information must be made available to the owners:</p> <ul style="list-style-type: none"> • The date on which the Association's fiscal year commences; • The Association's operating budget for the current fiscal year; • A list, by unit type, of the Association's current assessments, including both regular and special assessments; • The Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure; • The results of the Association's most recent available financial audit or review; • A list of all Association insurance policies, including, but not limited to, property, general liability, Association director and officer professional liability, and fidelity policies, which list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed; • All of the Association's bylaws, articles, and rules and regulations; • The minutes of the executive board and member meetings for the fiscal year immediately preceding the current annual disclosure; and • The Association's responsible governance policies adopted under CRS §38-33.3-209.5 regarding: <ul style="list-style-type: none"> • collection of unpaid assessments; • handling of conflicts of interest involving board members; conduct of meetings; • enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines; • inspection and copying of Association records by owners; • investment of reserve funds; and • procedures for the adoption and amendment of policies, procedures and rules. • procedures for addressing disputes arising between the Association and owners. 	<p>The information must be disclosed to the owners by:</p> <ul style="list-style-type: none"> • Posting the information on an internet web page with notice of the web address sent either by first-class mail or e-mail to all owners; • Maintaining a literature table or binder at the Association's principal place of business; • Mailing the information to all owners; or • Personally delivering the information to all owners. (CRS §38-33.3-209.4(3)) 	<ul style="list-style-type: none"> • The first disclosure must be made within 90 days after the developer control period ends. • Once the developer control period has ended, the information must be disclosed every year within 90 days after the end of the Association's fiscal year. 	<ul style="list-style-type: none"> • The Association cannot charge the owners to provide the information, with the exception that owners may be charged for copies of documents if disclosure is made through the Association maintaining a binder or literature table.

4. **Formal Audit or Accounting Review**
 (CCIOA Reference: §38-33.3-303(4)(b)(D)-(IV))

What's Required	How Often	Comments
<ul style="list-style-type: none"> A formal audit of the Association's books and records <u>may</u> be done in the discretion of the Board, and <u>must</u> be done if (a) the Association has either annual revenues or annual expenditures in excess of \$250,000, and (b) at least one-third of the owners request an audit. An accounting review of the Association's books and records <u>may</u> be done at the discretion of the Board, and <u>must</u> be done when requested by at least one third of the owners. The results of the audit or review must be made available to the owners within 30 days after completion. 	<ul style="list-style-type: none"> Whenever determined appropriate by the Board, or when requested by the owners. Whenever determined appropriate by the Board, or when requested by the owners. 	<ul style="list-style-type: none"> Any audit must be done using generally accepted auditing standards by an independent and qualified certified public accountant. Any review must be done using statements on standards for accounting and review services by an independent and qualified person selected by the Board. That person need not be a certified public accountant, but must have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. The Association's financial statements being audited or reviewed must be prepared using generally accepted accounting principles or the cash or tax basis of accounting.

5. **Owner Education**
 (CCIOA Reference: §38-33.3-209.7)

What's Required	How Often	Comments
<ul style="list-style-type: none"> Association must provide, or cause to be provided, education to the owners regarding the general operations of the Association and the rights and responsibilities of owners, the Association and its Executive Board under Colorado law. 	<ul style="list-style-type: none"> At least once a year. 	<ul style="list-style-type: none"> The Executive Board determines the criteria for compliance with this requirement.