

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENTS

(Revised Oct 2013)

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THE SANCTUARY COMMUNITY ASSOCIATION, INC.

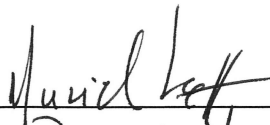
POLICY STATEMENT

**1. PROCEDURE FOR ADOPTING AND AMENDING
RULES AND POLICIES (Responsible Governance)**

By request of the President, Executive Board majority, or unit owners having 20 percent of the votes, the Executive Board must consider proposed adoptions and amendments of the policies, procedures, and rules governing the Association. After reasonable consideration, the Executive Board has the discretion on whether to adopt or amend such policies, procedures, and rules.

Effective April 2010

The Sanctuary Community Association, Inc.

By 
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

2. COLLECTION OF UNPAID ASSESSMENTS (Responsible Governance)

This policy supersedes Section I, Collection of Unpaid Assessments, of the Responsible Governance Policy dated April 2010, and Resolution #2 of the Board of Directors of The Sanctuary Community Association, Inc. dated October 22, 2004.

- 2.1 Monthly assessments (sometimes called dues or maintenance fees) are due and payable the first day of the month (the due date), are delinquent if not paid on the due date, and incur a late charge and bear interest from the date of delinquency if not paid on or before 10 days after the due date.
- 2.2 Special assessments are due on the date(s) specified in the special assessment.
- 2.3 The owner shall pay a late charge of \$25.00 on each late assessment payment.
- 2.4 In the sole discretion of the Association, the owner shall be required to pay interest on each assessment after the due date of that assessment at the rate of four percentage points above the prime rate per annum.
- 2.5 The Association will charge the owner the Association's direct costs as a result of a returned or rejected check or other instrument, plus the Association's \$25.00 returned check charge.
- 2.6 After the assessment payment is delinquent, the Association or the Manager will send a **Reminder Notice** to the owner (at the address of the unit/lot unless owner has provided written notice to the Association of a different owner address) that the payment is delinquent and the owner must pay the assessment plus applicable charges and interest.
- 2.7 After the **Reminder Notice**, the Association or the Manager will send a **Notice of Delinquency** to the owner address described above in the form attached or form substantially similar to the attached.
- 2.8 If the owner intends to satisfy the entire debt to the Association by restrictive endorsement on a check or money order for an amount less than the full balance then due on the owner's account, that check or money order must be delivered to the Association or its managing agent personally or by prepaid certified mail, return receipt requested.

- 2.9 An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:
- (a) Attorney fees and legal costs
 - (b) Association costs and expenses
 - (c) Late charges
 - (d) Interest
 - (e) Fines
 - (f) Assessments

The Association, through its designated agent, shall have the discretion to return any partial payment that directs payment other than in the above priority.

Passed by a majority of a quorum of the Board of Directors of The Sanctuary Community Association, Inc. at its meeting on Oct. 22, 2013.

Effective January 1, 2014

The Sanctuary Community Association, Inc.

By: *David Hoff*
Its *President*

Notice of Delinquency

The Sanctuary Community Association, Inc.

Date: _____, 20____

Regarding: Address _____
in the above Association

Dear Owner:

This is notice that you are delinquent in payment of your assessments as shown in the accounting on the attached ledger.

Options:

- (1) CURE DATE. **The delinquency must be cured on or before 30 days after the date on this Notice of Delinquency**

OR

- (2) PAYMENT PLAN. **Owner must enter into a written payment plan acceptable to the Association.** The payment plan must permit the owner to pay off the deficiency, including a reasonable administrative fee, in equal installments over a period of at least six months, in addition to paying the regular assessments due over the period of the payment plan.

The Association is not obligated to negotiate a payment plan if the owner has previously entered into a payment plan and has failed to comply with the payment plan, if the owner does not occupy the unit, or if the owner acquired the unit as a result of a default of a security interest encumbering the unit or foreclosure of the Association's lien on the unit.

To enter into a **payment plan**, please contact:

Caron Realty, Inc.

At contact information : Phone: 720-283-3300

Email: community questions@att.net

Regular mail: 7800 S Elati St, Suite 250
Englewood CO 80120

OR

- (3) **COLLECTION ACTION.** If you do not pay the total amount due or enter into a payment plan acceptable to the Association on or before the Cure Date above, or, after having entered into a payment plan, you fail to pay an installment under the payment plan or to remain current with regular assessments as they come due within the period of the payment plan, the Association may turn over your account to a law firm or collection agency for collection. The Association may file a lawsuit against you, the Association may sue to have the court appoint a receiver for your property, the Association may foreclose on its lien against your property if the assessments and charges equal or exceed six months of common expense assessments and the Board has voted by recorded vote to file the foreclosure action, and the Association may pursue other remedies available to it under Colorado law.

General Provisions.

An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:

- (a) Attorney fees and legal costs
- (b) Association costs and expenses
- (c) Late charges
- (d) Interest
- (e) Fines
- (f) Assessments

The Association, through its designated agent, shall have the discretion to return any partial payment that directs payment other than in the above priority.

From the time your **account is turned over to the law firm**, you must communicate only with the law firm to pay or settle the account. You must pay all late charges, interest, costs of collection, and attorney fees incurred by the Association.

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

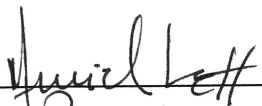
3. BOARD MEMBER CONFLICTS OF INTEREST
(Responsible Governance)

Section 7-128-501, C.R.S. shall apply to members of the Executive Board, except that as used in that section:

- (a) "Corporation" or "Nonprofit Corporation" means the Association.
- (b) "Director" means a member of the Association's Executive Board.
- (c) "Officer" means any person to whom the Executive Board delegates responsibilities under this article, including, without limitation, a managing agent, attorney, or accountant employed by the Executive Board.

Effective April 2010

The Sanctuary Community Association, Inc.

By 
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

4. CONDUCT OF MEETINGS, VOTING (Responsible Governance)

MEETINGS

Each year the Sanctuary Community Association shall conduct a meeting for all unit owners as prescribed in Bylaws Section 3.1.

NOTICE REQUIREMENTS - Notice of the meetings shall be given by ordinary first-class mail or hand-delivery to unit owners not less than 10 days or more than 50 days in advance of the meeting. Also the notice shall be physically posted in a conspicuous place, to the extent feasibly and practically possible, in addition to any electronic posting or electronic mail notices.

If the Sanctuary Community Association has a website, it shall provide all meeting notices and agendas in electronic form on a web site and via electronic mail to any unit owner who so requests and furnishes their electronic mail address.

The notice shall state the time and place of the meeting and the items on the agenda, including any proposed amendments to the governing documents, any budget changes, and any proposed removal of officers or board members.

SPECIAL MEETINGS - Special meetings of the unit owners may be called by the President, board majority, or unit owners having twenty percent (20%) of the votes in the Association. Notices of special meetings shall be given as soon as possible, but at least 24 hours in advance of the meeting.

CONDUCT OF MEETINGS - All meetings of the Sanctuary Community Association and their Executive Board shall be open to attendance by the unit owners, or to any person designated in writing as the unit owner's representative.

At an appropriate time determined by the Executive Board, but before formal action is taken, unit owners or their designated representative shall be permitted to speak on any issue under discussion. The board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the board shall provide for a reasonable number of persons to speak on each side of the issue.

VOTING

SECRET BALLOT - Votes for contested positions on the Executive Board shall be taken by secret ballot, except where the governing documents provide for election of positions on the Executive Board by delegates on behalf of the unit owners. •

A vote on any matter affecting the common interest community shall be by secret ballot at the discretion of the board or upon the request of twenty percent (20%) of the unit owners who are present at the meeting or represented by proxy, if a quorum has been achieved.

COUNTING BALLOTS - Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be unit owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the board or another person presiding during that portion of the meeting. The volunteers shall not be board members, and in the case of contested election for a board position, shall not be candidates. Ballot counting shall be done immediately after collection and the results announced immediately thereafter. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of unit owners participating in such vote.

PROXIES - Votes may be cast by proxy duly executed by a unit owner, without fraud or misrepresentation. Proxies may be revoked by actual notice of revocation to the person presiding over the Association meeting. A proxy is invalid if it is not dated, can be revoked without notice, and is more than eleven months after its execution.

SUSPICIOUS VOTES - Votes may be rejected if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of a signature or about the person's ability to sign for the unit owner. The Association, its officers or agents who accept or reject a vote in good faith are not liable in damages for the consequences of that action and will be upheld as valid unless a court of competent jurisdiction determines otherwise.

Effective April 2010

The Sanctuary Community Association, Inc.

By Amir Lef
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

5. ENFORCEMENT OF COVENANTS AND RULES
(Responsible Governance)

(a) First Offense/Violation: Written notice/warning letter to the unit owner. Violation must be corrected within ten (10) days of the date of the notice and the same violation must not subsequently occur or a second violation notice will be sent and a fine may be assessed.

(b) Second Offense/Violation: Written notice/fine letter to include Fifty Dollar (\$50) fine assessed against the unit owner. If the violation is not corrected within ten (10) days of the date of the notice or the same violation occurs subsequent to the prior violation, a third violation notice will be sent and an additional fine may be assessed.

(c) Third Offense/Violation: Written notice/fine letter to include an additional Seventy-Five Dollar (\$75) fine assessed against the unit owner. If the violation is not corrected within ten (10) days of the date of the notice or the same violation occurs subsequent to the prior violation, a fourth violation notice will be sent and an additional fine may be assessed.

(d) Fourth and Subsequent Offense/Violation: Written notice/fine letter to include an additional One Hundred Dollar (\$100) fine per fourth or subsequent violation assessed against the unit owner and the matter being turned over to the Association's attorney for enforcement.

The unit owner is responsible for any fees and costs incurred in the collection of any fines or enforcement of any violations, including but not limited to attorney's fees, court filing fees, and service costs; and fees and costs shall be recovered by the Executive Board regardless of whether a lawsuit is filed.

Effective with the Second and subsequent related offense/violation notice(s), the unit owner may request a hearing. Said request must be received by the Management Company, in writing via certified or registered mail, within ten (10) days of the date of the notice. If the unit owner does not request a hearing or correct the problem in the manner and in the time frame above, the fine will be assessed against the unit owner. In the event a hearing is timely requested, the hearing on a complaint and/or fine to be imposed shall be scheduled within sixty (60) days from the alleged offense. The Hearing Committee, if one exists, shall consist of three (3) members appointed by the Executive Board who are "impartial decision makers," as that term is defined in C.R.S. 38-33.3-209.5(2)(b)(II), and shall conduct all hearings.

Based upon the information provided to the Hearing Committee at the hearing, a decision by the Committee will be made within ten (10) days of the hearing. The

decision of the Hearing Committee shall be given to the Executive Board and shall be final. If a Hearing Committee does not exist, the members of the Executive Board who are "impartial decision makers," as that term is defined in C.R.S. 38-33.3-209.5(2)(b)(II), shall conduct all hearings.

The Executive Board has the power to impose fines consistent with the fine schedule detailed in this resolution. All Executive Board decisions are final. If the unit owner does not appear or respond in writing, an automatic default may be entered against the unit owner.

Effective April 2010

The Sanctuary Community Association, Inc.

By Quicil Lett
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

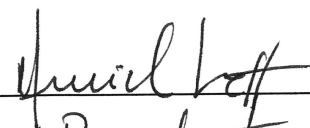
POLICY STATEMENT

6. RESERVE STUDY, PLAN FOR FUNDING WORK AND SOURCES OF FUNDING
(Responsible Governance)

The Sanctuary Community Association shall have a reserve study prepared in the year 2011 and every second (2nd) year thereafter for the portions of the Association that are maintained, repaired, replaced, or improved by the Association. The reserve study shall be based on a physical and financial analysis. Any work recommended by the reserve study and approved by the Association in its annual budget may be funded by special and/or annual assessments. The Association may elect to have this reserve study externally conducted.

Effective April 2010

The Sanctuary Community Association, Inc.

By 
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

7. INVESTMENT OF RESERVE FUNDS (Responsible Governance)

- 7.1 The officers, Board members, managing agent, attorney, and accountant employed by the Association will be subject to the standards of conduct set forth in C.R.S. § 7-128-401 regarding the investment of reserve funds. Reserve funds shall be invested in one or more accounts separate from the general operating account of the Association. Further, the reserve funds shall be invested in conservative accounts with a small possibility of loss to the Association. The majority of the reserve funds shall be deposited in accounts and amounts that are fully insured against loss by an agency of the U.S. government.
- 7.2 Any and all persons who have access to the reserve funds shall have fidelity insurance covering the Association against dishonesty of such persons in the full amount of the funds in those accounts.

Passed by a majority of a quorum of the Board of Directors of The Sanctuary Community Association, Inc. at its meeting on Oct. 22, 2013.

Effective October 22, 2013

The Sanctuary Community Association, Inc.

By: Muhammad
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

8. RESOLUTION OF DISPUTES BETWEEN ASSOCIATION AND OWNERS
(Responsible Governance)

Upon written request of any unit owner, and consent by the Executive Board, the Executive Board shall convene to address a pending dispute. The date, time, and place shall be scheduled so the unit owner and a majority of the Executive Board may be in attendance. The unit owner will be given reasonable opportunity to be heard regarding the dispute, subject to any time limitations set by the Executive Board. After deliberation, the majority vote of the Executive Board will be the final resolution of the dispute. By consent of all parties, any dispute between the Association and unit owner may be submitted to mediation prior to the commencement of any legal proceeding. If an agreement is reached, it shall be submitted to the court as a stipulation for approval and if ordered subject to enforcement.

Effective April 2010

The Sanctuary Community Association, Inc.

By Muriel Loff
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

9. ASSOCIATION RECORDS (Responsible Governance)

This Policy supersedes the Association Records Policy dated Apr 2010 and the Association Rule E on Records effective October 30, 2012.

1. The Association will maintain, retain, and produce Association records in accordance with law and the Association's governing documents, including the declaration, articles of incorporation, bylaws, and this Policy. This Policy conforms with Colorado Revised Statutes §§ 38-33.3-209.4, -209.5, and -317, as amended.
2. All Association records must be maintained in a form that allows conversion into written form in a reasonable time.
3. The **following records will be maintained** at the Association's principal office as described in the records of the Colorado Secretary of State and shall be considered the sole records of the Association for purposes of document retention and production to owners:
 - 3(a) Detailed records of receipts and expenditures affecting the operation and administration of the Association;
 - 3(b) Records of claims for construction defects and amounts received pursuant to settlement of those claims;
 - 3(c) Minutes of all meetings of owners and the Board, a record of all actions taken by the owners or the Board without a meeting, and a record of all actions taken by any committee of the Board;
 - 3(d) Written communications among, and votes cast by the Board members that are: (a) directly related to an action taken by the Board without a meeting pursuant to CRS § 7-128-202, or (b) directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws;
 - 3(e) The names of owners in a form that permits preparation of a list of names of all owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each owner is entitled to vote;
 - 3(f) Its current Declaration, Covenants, Articles of Incorporation, Bylaws, Rules and Regulations, Responsible Governance Policies adopted pursuant to CRS § 38-33.3-209.5, and other policies adopted by the Board;
 - 3(g) Financial statements as described in CRS § 7-136-106 for the past three years and tax returns of the Association for the past seven years, to the extent available;
 - 3(h) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;

- 3(i) Its most recent annual report delivered to the Secretary of State, if any;
- 3(j) Financial records sufficiently detailed to enable the Association to comply with CRS § 38-33.3-316(8) concerning statements of unpaid assessments, to be sent by certified mail, return receipt requested, so they are received by requesting party within 14 days of Association's receipt of request;
- 3(k) The Association's most recent reserve study, if any;
- 3(l) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
- 3(m) Records of the Board or Committee actions to approve or deny any requests for design or architectural approval from owners;
- 3(n) Ballots, proxies, and other records related to voting by owners for one year after the election, action, or vote to which they relate;
- 3(o) Resolutions adopted by its Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members; and
- 3(p) All written communications within the past three years to all owners generally as owners.

4 An owner or owner's authorized agent may inspect and copy Association records during normal business hours if the owner or authorized agent has submitted a written request, describing with reasonable particularity the records sought, at least 10 days prior to the inspection or production of documents. The Association's "Request to Inspect Records" form is attached to and made a part of this Policy. The Association may not condition the production of records upon the statement of a proper purpose.

5 Notwithstanding the Policy above, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an owner's interest as an owner without the consent of the Board. Without limiting the generality of this Policy, without the consent of the Board, a membership list or any part thereof may not be:

- 5(a) Used to solicit money or property unless such money or property will be used solely to solicit the votes of owners in an election to held by the Association;
- 5(b) Used for any commercial purpose; or
- 5(c) Sold to or purchased by any person.

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

- 6(a) Architectural drawings, plans, and designs, unless released upon written consent of the legal owner of the drawings, plans, or designs;

- 6(b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
 - 6(c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
 - 6(d) Disclosure of information in violation of law;
 - 6(e) Records of an executive session of the board; or
 - 6(f) Individual units other than those of the requesting owner.
- 7 Records maintained by the Association are **not subject to inspection and copying, and must be withheld**, to the extent that they are or concern:
- 7(a) Personnel, salary, or medical records relating to specific individuals; or
 - 7(b) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.
- 8 The Association will impose a reasonable charge, which may be collected in advance and will cover costs of labor and material, for copies of Association records. The charge may not exceed the estimated cost of production and reproduction of the records.
- 9 A right to copy records under this Policy includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request of an owner.
- 10 The Association is not obligated to compile or synthesize information.
- 11 Association records and the information contained within those records shall not be used for commercial purposes.
- 12 Upon request, the selling unit owner shall either provide to the buyer or authorize the Association to provide to the buyer, upon payment of the Association's usual charge pursuant to the Policy above, all the common interest community's governing documents and financial documents, as listed in the most recent version of the contract to buy and sell real estate promulgated by the real estate commission as of the date of the contract.
- 13 Audits or reviews of the books and records of Association shall be done at the discretion of the Board or upon owner request as follows:
- 13(a) An audit is required only if the Association has annual revenues or expenditures of at least \$250,000 and owners of at least one-third of the units represented by the Association request an audit.

13(b) A review is required only when requested by the owners of at least one-third of the units represented by the Association.

13(c) Copies of audits or reviews shall be available on request to any owner 30 days after completion.

14 Within 90 days after the change of any of the following, the Association will give written notice to the owners of the following items by first class mail, personal delivery, a binder at the principal place of business, or on the Association's website:

- 14(a) Names of the Association and the common interest community
- 14(b) Name and address of management company, if any
- 14(c) Physical address and phone number for the Association and the designated agent or management company
- 14(d) Date of recording of the Declaration and recording information

15 Within 90 days after the end of each fiscal year, the Association will make the following information available to owners by first class mail, personal delivery, a binder at the principal place of business, or posting on the Association's website:

- 15(a) Date the Association's fiscal year begins
- 15(b) Operating budget for the current year
- 15(c) List of current regular and special assessments, by unit type
- 15(d) Annual financial statements, including reserves
- 15(e) Results of most recent audit or review
- 15(f) List of all Association insurance policies (property, general liability, director and officer liability, fidelity), including companies, policy limits and deductibles, additional insureds, and expiration dates
- 15(g) Association's bylaws, articles, and rules and regulations
- 15(h) Minutes of board and member meetings for prior fiscal year
- 15(i) Association's "Responsible Governance Policies" (contained in bylaws, rules, and policies)

Passed by a majority of a quorum of the Board of Directors of The Sanctuary Community Association, Inc. at its meeting on October 22, 20B.

Effective October 22, 20B

The Sanctuary Community Association, Inc.

By: Amiel Lett
Its President

REQUEST TO INSPECT RECORDS

[Revised July 2013]

This written request is pursuant to the Policy on Records Maintenance and Production of The Sanctuary Community Association, Inc.

To: The Sanctuary Community Association, Inc., c/o Caron Management

Address: 7800 S Elati Street, Suite 250, Littleton CO 80120

Email: communityquestions@att.net

Date of this Request: _____, 20__

Date you or your agent intends to inspect the records (Must be at least 10 days after date of request): _____, 20__

Person(s) requesting Inspection of the Association's records: _____

Person(s) who will be present for the review of the Association's records: _____

Please note that all actual costs of inspection and any authorized copies must be paid in advance by the person requesting them.

State with particularity the records requested for inspection. Please include type and date(s) of record(s), those records for which you request a copy, and any specifics that will identify the information you seek to review. If necessary, use additional sheets.

<u>Record</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

Request by: _____

Signature

Address: _____

Phone: _____ Email: _____

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

10. AUDIT OR REVIEW POLICY

AT THE DISCRETION OF THE EXECUTIVE BOARD OR UPON REQUEST BY UNIT OWNERS AS STATED HEREIN, the books and records of the Sanctuary Community Association will be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the Executive Board. Except for an audit, a CPA is not required. The person selected to conduct a review shall 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 audit or review report shall cover the Association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting.

AUDIT- An audit is only required when these two conditions are met: (1) the Association has annual revenues or expenditures of at least \$250,000; and (2) an audit is requested by the unit owners of at least one-third (1/3) of the units represented by the Association.

REVIEW - A review is required only when requested by the unit owners of at least one-third (1/3) of the units represented by the Association.

Copies of an audit or review shall be made available upon request to any unit owner beginning no later than 30 days after its completion.

Effective April 2010

The Sanctuary Community Association, Inc.

By Muhammad Haff
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

11. EMERGENCY VEHICLES

The Sanctuary Community Association may not prohibit the parking of a motor vehicle by a unit owner or occupant on a street, driveway, or in guest parking if the vehicle is required to be available at designated periods at such owner's or occupant's residence as a condition of employment and meets all the following criteria:

- (a) the vehicle has a gross weight rating of 10,000 lbs. or less;
- (b) the occupant is a bona fide member of a volunteer fire department or employed by a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services;
- (c) the vehicle bears an official emblem or other visible designation of the emergency service provider; and
- (d) the parking of these vehicles 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.

Effective April 2010

The Sanctuary Community Association, Inc.

By 

Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

12. EXECUTIVE BOARD MEMBER EDUCATION AND OWNER EDUCATION

EXECUTIVE BOARD

The Sanctuary Community Association Executive Board may authorize, and charge as a common expense, reimbursement to board members for actual and necessary expenses incurred to attend educational meetings and seminars on responsible governance specific to Colorado and applicable sections in Senate Bill 05-100 and Senate Bill 06-089. Request for approval for reimbursement must be in writing prior to attending the educational seminar or meeting and approved by a majority vote of the Executive Board.

OWNER

Annually, the Sanctuary Community Association will provide, or cause to be provided, education to unit owners at no cost regarding the general operations of the Association and the rights and responsibilities of the unit owners, the Association, and the Executive Board under Colorado law. The Executive Board shall determine the criteria for compliance with this requirement.

At the annual meeting, there will be a presentation regarding the operation of the community Association. Subjects may include, but not be limited to, budget preparation, architectural review, the enforcement process, and reserve fund status.

Effective April 2010

The Sanctuary Community Association, Inc.

By *Amiel Loff*
Its *President*

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

13. FIRE PREVENTION MEASURES AND ROOFING

Unit Owners may remove trees, shrubs, or other vegetation around their property to create defensible spaces for fire mitigation purposes, so long as it complies with a written defensible space plan created for the property by (a) the Colorado State Forest Service, (b) an individual or company certified by a local governmental entity, or (c) the fire protection district or fire official in the jurisdiction. Before the commencement of work, the defensible space plan must be registered with the Sanctuary Community Association and the Association may require changes to the plan after obtaining consent of the person, agency, or official that created the plan. All work will comply with applicable Association standards regarding slash removal, stump height, revegetation, and contractor regulations.

ROOFING

The Sanctuary Community Association shall not require the use of cedar shakes or other flammable roofing materials. However, prior approval of the Sanctuary Community Association Design Review Committee is required before installation of any proposed roofing material.

Effective April 2010

The Sanctuary Community Association, Inc.

By Daniel Hoff
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

14. INSURANCE CLAIMS

Unit owners may file a claim against the Sanctuary Community Association policy, to the same extent, and with the same effect as if a named insured if the following conditions are met:

- (1) The unit owner has contacted the Executive Board or the Association's managing agent in writing, and in accordance with any applicable Association policies or procedures for owner-initiated insurance claims, regarding the subject matter of the claim;
- (2) The unit owner has given the Association at least fifteen days to respond in writing, and if so requested, has given the Association's agent a reasonable opportunity to inspect the damage; and
- (3) The subject matter of the claim falls within the Association's insurance responsibilities.

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 a clarification of coverage.

Effective April 2010

The Sanctuary Community Association, Inc.

By Juniel Leff
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

15. OPTIONAL ESCROW AGREEMENT WITH MORTGAGEES

The Sanctuary Community Association may enter into an escrow agreement with the unit owner's mortgage company to collect assessment payments along with the mortgage payments at the same time and in the same manner.

Escrow agreements must comply with applicable rules of the Federal Housing Administration, Department of Housing and Urban Development, Veterans' Administration, or other government agency.

Effective April 2010

The Sanctuary Community Association, Inc.

By Muicel Jeff
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

16. PATRIOTIC EXPRESSION AND POLITICAL EXPRESSION

PATRIOTIC EXPRESSION

Unit owners or occupants may display the American flag on their property in a window or on an adjoining balcony in a respectful manner consistent with the Federal Flag Code. The Sanctuary Community Association may adopt reasonable rules regarding the placement of and manner of display of the American flag.

Unit owners or occupants may install flags or flagpoles with prior written permission from the Board, but the Sanctuary Community Association may regulate the location and sizes of the flags and flagpole.

During a time of war or armed conflict, unit owners may display a service flag on the inside of a window or a door bearing a star denoting the military service of the unit owner or someone in their immediate family. The Sanctuary Community Association may adopt reasonable rules regarding the size and manner of display of service flags, except the maximum dimensions shall be not less than 9 inches by 16 inches.

POLITICAL EXPRESSION

Unit owners or occupants may display political signs within the boundaries of their property or in a window not more than forty-five days before the election day and no later than seven days after an election day. The Sanctuary Community Association may regulate the size and number of political signs.

The Sanctuary Community Association shall permit at least one political sign per political office or ballot issue contested in the pending election with the maximum dimensions limited to the lesser of the following:

- (a) The maximum size allowed by an applicable city, town, and county ordinances.
- (b) Thirty-six inches by forty-eight inches.

"Political sign" means a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue.

Effective April 2010

The Sanctuary Association, Inc.

By Amiel Hoff
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

17. PUBLIC DISCLOSURES

COMMUNITY ASSOCIATION CHANGES- If the Sanctuary Community Association's address, designated agent, or management company changes, the Association shall make updated information available to unit owners within 90 days after the change. This updated information shall include the following:

- (a) The name of the Association;
- (b) The name of the Association's designated agent or management company, if any;
- (c) A valid physical address and telephone number for both the Association and the designated agent or management company, if any;
- (d) The name of the common interest community; and
- (e) The initial date of recording of declaration, reception number or book and page for the main document that constitutes the declaration.

WITHIN 90 DAYS AFTER THE END OF EACH FISCAL YEAR, the Sanctuary Community Association will make the following information available to unit owners upon reasonable notice as stated herein.

- Beginning date of the fiscal year;
- Operating budget for current fiscal year;
- List of regular and special assessments by unit type;
- Annual financial statements including reserve amount for the previous fiscal year;
- Results of most recent available financial audit or review;
- List of .all Association insurance policies including insurance company name(s), policy limits, deductibles, additional named insured's, and expiration dates;
- All Association Declarations, Bylaws, Article of Incorporation, Rules and Regulations;
- Minutes of the board and member meetings for the previous fiscal year; and

- The Association's responsible governance policies.

MEANS AND METHOD OF DISCLOSURE - This information will be provided to unit owners at no cost and at their convenience through posting on an internet web page, literature table or binder at the Sanctuary Community Association's principal place of business, or by regular U.S. mail or personal delivery. If internet web page is used, the unit owners must be provided notice of the web address by ordinary first-class mail or electronic-mail. Cost of distribution can be charged as a common expense of the Association.

Effective April 2010

The Sanctuary Community Association, Inc.

By Daniel Kett
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

18. SALE OF UNITS - SELLER'S DUTY OF DISCLOSURE TO BUYER

Except for foreclosure sales, the unit owner must mail or deliver to the purchaser on or before the title deadline, copies of the following documents:

- The Declaration;
- The Bylaws and any amendments;
- Rules and Regulations of the Association;
- Design Guidelines of the Association;
- Any party wall agreements;
- Minutes of the most recent annual community Association meeting and any board meetings within 6 months immediately preceding the title deadline;
- The Association's operating budget;
- The Association's annual income and expenditures statement; and
- The Association's annual balance sheet.

The Sanctuary Community Association shall accommodate, to the best of its ability, a request for documents when a unit owner is selling their unit. The unit owner shall contact the Executive Board or the managing agent with a written request with at least 14 days notice citing the specific documents required.

Effective April 2010

The Sanctuary Community Association, Inc.

By Amiel Bett
Its President

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

POLICY STATEMENT

19. WATER CONSERVATION AND DROUGHT MITIGATION

This Policy supersedes the Policy of the same name dated Apr 2010.

Restrictive covenants, declarations, bylaws, policies, or rules and regulations that prohibit or limit xeriscape or drought-tolerant vegetative landscapes or that require cultivated vegetation that consists wholly or partially of turf grass are unenforceable.

“Xeriscape” means the combined application of the seven principles of landscape planning and design, soil analysis and improvement, hydro zoning of plants, use of practical turf areas, uses of mulches, irrigation efficiency, and appropriate maintenance under C.R.S. § 38-35.7-107(1)(a)(III)(A).

“Turf” means a covering of mowed vegetation, usually turf grass, growing intimately with an upper soil stratum of intermingled roots and stems.

“Turf grass” means continuous plant coverage consisting of nonnative grasses or grasses that have not been hybridized for arid conditions which, when regularly mowed, form a dense growth of leaf blades and roots.

The Sanctuary Community Association Executive Board may not impose any procedural steps or financial burdens upon the unit owner seeking approval of a landscaping plan change. The prohibited procedural steps or financial burdens include the requirement of an architect’s stamp, pre-approval by board retained architect, water usage history/analysis, or landscape change fees.

The Sanctuary Community Association Executive Board may take enforcement action against a unit owner if the unit owner allows existing landscaping to die unless there has been a period of water use restrictions. Enforcement shall be under Bylaws Article 9 and Section IV of the Policy on Responsible Governance. During water use restrictions, all enforcement action shall be suspended and unit owners shall comply with any watering restrictions declared by the water supplying authority.

Once the drought emergency ends and watering restrictions are lifted, the unit owner shall be given a reasonable and practical opportunity considering the local growing seasons to reseed and revive turf grass before being required to replace it with new sod.

Nothing in this policy supersedes any county or city subdivision regulation.

Policy on Water Conservation and Drought Mitigation passed by a majority of a quorum of the Board of Directors of The Sanctuary Community Association, Inc. at its meeting on October 22, 2013.

Effective October 22, 2013

The Sanctuary Community Association, Inc.

By: Amiel Laff
Its President