

Pelican Pointe

Rules & Regulations

Revised August 2019





RULES

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RULES

I. Signs and flags.

A. Political signs.

A political sign is defined as 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. A homeowner or occupant may emplace one political sign on the inside of any of his windows for each imminent ballot issue. Each sign shall not exceed 36" x 48". Such signs may be in place not sooner than 45 days or later than 7 days after the respective election. No political signs shall be placed in or on any of the common areas or on a porch or patio. Signs espousing general ideological beliefs such as "No Wal-Mart" or "Peace, Now!" are not political signs, and shall not be permitted in or on any of the common areas or on the inside or outside of any windows, or anywhere outside a unit. To the extent that the Covenants of Pelican Pointe, Section 7.10 [relating to signage], are inconsistent with SB100 or with this rule, the provisions of SB100 and of this Rule shall govern.

B. Political expression: Certain flags.

a. A homeowner or occupant may display one American flag, not exceeding 3' x 5', on his patio or on a flagpole attached to the exterior of his unit, although not on any roof or door. The maximum height of a standing flagpole shall be 10'. The maximum length of a flagpole protruding from an exterior surface shall not exceed 5'. The exterior surface of each unit at Pelican Pointe is limited common area. Any flagpole attached to such exterior necessarily involves an impermissible attachment to the structure's exterior, but for this provision. Therefore, each homeowner who attaches, or whose tenant or occupant attaches, a flagpole on an exterior surface shall be responsible for any repairs or maintenance costs attributable to such attachment; and such financial responsibility shall constitute a charge against his unit if and when such charge is reasonably imposed thereon by the Association.

b. Instead of outside, a homeowner or occupant may display one American flag on the inside of any one window of his unit.

c. If the homeowner or occupant, or a member of his immediate family is a member of the active military service, activated reserve military service, or activated national guard of the United States during a time of war or armed conflict, he may display one service flag upon any door of his unit or on the inside of any window of his unit; provided, however, that the size of such flag will not exceed 9" x 16".

C. For Sale or For Lease signs.

A homeowner may place one For Sale or one For Lease sign on the inside of any one of his windows whenever his unit is "For Sale" or "For Lease". Such signs are prohibited on patios, on the exterior of any unit, or on any of the common areas.



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II. Parking.

A. Motor vehicles and parking.

a. No homeowner or a guest shall violate any specific provision described in section 7.16 of the Covenants, relating to "Vehicle Parking, Storage, or Maintenance".

b. No one shall park a vehicle, or a vehicle-related equipment or accessories, in the common areas; provided, however, that this shall not limit

i. the right of an invitee to use Guest Parking space for a maximum of 72 uninterrupted hours. An "uninterrupted 72 hours" means any 72-hour period of time during which the vehicle or equipment has not been removed from Pelican Pointe for at least 24 consecutive hours. The intent of this definition is to prohibit an invitee from the moving his/her vehicle from one Guest Parking space to another to avoid this time constraint. For example, if an invitee's car is parked in one Guest Parking space for, say, 71 consecutive hours, and it is then moved to a another Guest Parking space within the next 24 hours, a violation of this Rule will nonetheless have occurred.

ii. a commercial vehicle from parking, only for loading or unloading, on the Association's streets and driveways, where there is no "No Parking" designation.

c. Invitees who habitually stay in a homeowner's unit overnight shall be presumed to reside in that unit, and are, therefore, subject to the requirement that residents may not park their vehicles on the Association's streets, driveways, or Guest Parking areas at any time. The burden is upon the homeowner to rebut that presumption.

d. "Business invitees" are defined herein as persons whose vehicle is parked in Guest Parking for several consecutive hours, day or night, on three or more days/nights per week. Any resident who invites two or more business invitees to park in Guest Parking, at about the same time, shall first notify the Association's manager, with a view to determining a plan to minimize the monopolization of Guest Parking spaces near that unit.

e. When the average depth of a snowfall at Pelican Pointe is 8"+, the Association may cause any vehicle or trailer to be towed away, at the owner's expense, even if otherwise it is entitled to park in Guest Parking. The reasons for this sub-Rule: (i) Mechanized snow- or ice-removal equipment could damage such parked vehicle; (ii) the Guest Parking areas may be required for snow-stacking; and (iii) vehicles or trailers, regardless of where parked at Pelican Pointe, substantially impede the movement of such equipment through the streets and Guest Parking areas.

Such towing can occur upon three hours' notice. That notice shall be (i) by posting on the vehicle windshield or other prominent location; (ii) by a temporary sign place over our Guest Parking sign(s); or (iii) by phone or email if Association management knows the Unit to which the vehicle "belongs". If that snowfall begins at night (10 p.m. to 6 a.m.), the vehicle must be removed before 8 a.m.



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The Board may adopt a Snow Removal Plan, describing its snow-moving policies, and shall provide such Plan to all homeowners and residents (see Exhibits hereto).

f. The Association may place a notice prominently on the windshield or driver's-side front window of the vehicle in violation. The notice shall provide (i) that the vehicle must be removed from the proscribed area by a date and time set forth thereon, which shall be not less than 24 hours from the time of such placement; (ii) that the vehicle may be towed and stored at the expense of its owner or in user at the expiration of that 24-hour period; and (iii) that a fine may also be imposed for such parking violation.

g. A homeowner shall be presumed to know when and where his invitees have parked within Pelican Pointe. A homeowner's habitually condoning of his invitees' parking, in violation of the Association's Covenants and Rules, shall be subject to the provisions of Section XI of these Rules.

h. Notwithstanding the foregoing provisions in this Rule, a homeowner or tenant may apply to the Association's managing agent for a written permit, to be hung conspicuously from the interior rear-view mirror, permitting that vehicle to occupy any Guest Parking space for a period set forth in the permit, but not to exceed 14 days. The Association's Board of Directors/Management determines criterion for issuing temporary parking permits. For example a criterion for issuing the permit shall be that the applicant's invitee or non-resident family member will be living with the applicant for a specific temporary period.

B. Emergency vehicles.

Our Association will not prohibit the parking of a motor vehicle on any street, driveway, or guest parking area in the community if the homeowner is required by his employer to have the vehicle at his residence during designated times AND

- the vehicle weighs 10,000 pounds or less;
- the homeowner is a member of a volunteer fire department or an emergency service provider;
- the vehicle has an official emblem or other visible markings of emergency service provider; and
- parking the vehicle will not obstruct emergency access or interfere with the reasonable needs of the other residents to use the community streets and driveways, or unreasonably interfere with the use of Guest Parking spaces.

The Law defines an "emergency service provider" as a "primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services".

Vehicles of emergency service providers, defined above, may be parked during the designated times described in the law, on or in the community's streets, driveways, or guest parking areas. Any homeowner who wishes to avail himself of the provisions of this Rule shall, to the extent practicable, give (i) written notice of his intentions, (ii) a description of his vehicle, and (iii) a brief statement explaining the reason(s) his vehicle qualifies for the special parking status afforded by this Rule, to Pelican Pointe's manager. To the extent that any of the Association's Covenants or Rules conflict



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with the “emergency vehicles” portion of this Rule, the “emergency vehicles” provisions of this Rule shall govern.

III. Outside restrictions.

A. Exterior modifications pre-approved.

Because the following exterior improvements have been pre-approved by the Board, a homeowner may cause them to be added to his unit without seeking or obtaining further approval from the Board. All requests for the exterior improvements other than the specified products noted in each category must be submitted for approval from the Board:

1. Approved storm doors (front door).

Three storm door designs for the front door of the unit have been approved by the Design Review Committee and by the Association’s Board of Directors. These three are: “American II, #126”; “Split Trim II, #120”; and “Oxford, #211”. These doors can be purchased at Liberty Products, (303) 698-1860, or Secure-All Company, (303) 458-5577. The door must be white and have a powder-coated baked enamel finish, regardless of whether the door is deemed a security door or a storm door. The door itself, excluding its frame, must be steel and not aluminum. The homeowner is not limited to these two vendors, provided that door selected elsewhere conforms to the one of those models. The door can have a variety of sliding or removable clear glass panels and/or inside screens. The homeowner shall be responsible for the maintenance and the appearance of any storm door or security door. (See the “approved storm doors” drawing, and exhibit hereto).

2. Approved awnings.

Two awning colors have been approved by the Design Review Committee and the Board. Colors are solid and the color numbers are #0001 and #6020 from the awning fabric selection book of the Liberty Products, (303) 698-1860. The frame for the awnings must be white.

3. Approved patio security doors.

The Board has approved one style of security gate to cover the sliding glass patio door on any unit. The gate must be white and made of steel. [the gate is available at Liberty Products, and is called the “American”].

4. Approved patio gate.

a. Except as provided in paragraph (b) hereof, pet gates on end-unit patios must be white and either (i) be designed and constructed to appear as an “extension” of the existing patio railing, essentially in accordance with the drawing which is an exhibit hereto; or (ii) be the pet gate as manufactured by KidCo, Model #G60, “E’longate,” or the pet gate manufactured by Doctors Foster & Smith, Model #9N-1948. The former model can be found



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at the Pet Warehouse, (407) 349-2525, or by email at customercare@petsafe-warehouse.com. All other patio fences or pet gates must be removed.

b. Notwithstanding the approval of the specified style of metal gate is subparagraph (a), above, the following applies only to Plymouth Bay units at Pelican Pointe: if the patio “opening” is in the “front”, parallel to the front of that unit, any patio gate must mimic (appearing as an “extension” of) the existing wood railing. In such instance, the metal gate specified above is not allowed.

PLEASE NOTE: In no event is the Board of Directors or its Design Review Committee endorsing any single or specific merchant or manufacturer of the above described products. Any of the products described above can be purchased and installed by any vendor of the homeowner’s choice; PROVIDED, HOWEVER, the products purchased from merchants other than those named must be of the same design and quality as those pre-approved by the Board. Any proposed variations from the approved models must be approved by the Committee and the Board BEFORE installation. The requesting homeowner must apply to the Committee on forms and in the manner prescribed by the Committee.

B. Architectural control and review; standards for approval or denial of a homeowners’ architectural or landscaping application.

1. No homeowner shall make or permit any alterations to the landscaping and/or changes to his unit’s exterior, without first having obtained the written approval therefore from the Board. Architectural control and the exterior design review remain the Board’s exclusive province. The Board will promulgate standards and procedures for approving or denying landscaping or architectural applications. The reasons for approvals or denials will be written and kept as a Board record. The primary focus of such standards shall be to maintain the harmony of the units’ exteriors with surrounding structures and common areas.

2. If any exterior door, or storm or security door, railing, gate, satellite dish, or any other exterior modification on or of any unit exists (by way of the “grandfather” principle or by prior Board approval or acquiescence), but does not conform to these Rules, the homeowner’s continued right to retain such non-conforming feature shall expire if and when it is removed or altered in any way, or if and when the unit is sold.

C. Recreation.

a. No one shall use any part of the grass-covered common areas for recreation, because (i) such activity could unreasonably create a nuisance, disturbance, or annoyance for the occupants of the nearby units, and (ii) the damage to those areas could be costly to repair. However, this Rule shall not restrict the use of such areas for “light” recreation under these conditions:



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(1) The activity does not create such a noise that it unreasonably creates a nuisance, disturbance, or annoyance for the occupant of any unit;

(2) The activity is conducted during daylight hours;

(3) The activity does not cause material damage to the grass, landscaping, or the gazebo structures. An example of a permitted activity: erecting a volleyball net and playing volleyball in the western detention pond. An example of a proscribed activity: chipping golf balls on or around any grass-covered area; and

(4) No person under age 12 years shall engage in any such activity unless accompanied during the activity by a person over age 18 years.

b. The Association at all times is concerned for the safety of the homeowners and guests while such persons are in the common areas, but especially on the sidewalks, driveways, and streets within Pelican Pointe. Moving motor vehicles create an inherent safety risk for pedestrians, but especially for persons on skates, bicycles, tricycles, scooters, and other non-motorized means of propulsion. Therefore, while the use of the streets, sidewalks, and driveways within the common areas is not specifically prohibited to any person while utilizing such means of propulsion, such person does so at his/her own risk of injury from motorized vehicles and common road hazards. No person utilizing such means of propulsion shall interfere with the drivers of motor vehicles in their use of the streets and driveways in Pelican Pointe. No person shall traverse over or upon any grass-covered area with any of such or similar means of propulsion.

c. Sledding and similar activities conducted on snow-covered grassy areas, are prohibited unless the snow is deep enough to preclude damage to the underlying grass.

d. The picnic area at the gazebos may be used only if the homeowner(s) or guest(s) (1) keep the noise emanating therefrom to a reasonable, non-disturbing level; (2) conduct the picnic or activity no earlier than one hour after sunrise and no later than one hour after sundown; and (3) remove all trash and clean up any "messes" caused to that area prior to leaving. A homeowner may reserve with the manager the exclusive use of the entire gazebo area, or any part thereof, for a specific date and time.

e. No television, radio, stereo, or other sound-amplifying device shall be used at the picnic area or elsewhere in or on the common areas, including upon any patio, if such use unreasonably disturbs the quiet enjoyment of the occupants of any unit.

D. Trash and trash containers.

Containers containing trash or recyclables and awaiting municipal pick-up shall not be placed in the driveway behind a respective unit any earlier than 7 p.m. on the evening prior to the anticipated pick-up; if that pick-up does not occur as regularly scheduled, such containers may remain there for one additional day. All such containers shall be removed into the respective units no later than 11 p.m. of the day when the containers are actually emptied. No containers or any other items of any kind shall be placed at any time in the open space between the garages.



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The use of paper or plastic bags to contain trash awaiting pick-up is prohibited, unless such bags are contained within a trash can with a lid thereon. Trash cans/bins must be the City supplied trash bins. Trash outside the can may include objects acceptable to the trash-haulers. However, in no event shall garbage or the remains of food, foodstuffs, food preparation products, or their original containers, or plants or flowers, be placed outside such trash cans. Use of the City-supplied recycling bins for qualified recyclable items is recommended.

E. Bird- and other feeders and insect collectors.

Any feeders, including but not limited to bird feeders, whether located on a unit's porch or patio, or in trees, shrubs, lawn, rocks or perimeter fence, outside a unit (regardless of design or description as squirrel-proof) are prohibited. Insect-collectors may be hung or positioned in our trees or bushes or on patios.

F. Items on patios, porches, lawn, and sidewalks.

No owner shall create or allow the creation of an unsightly condition outside a unit, in a driveway, on a porch or patio, or on a lawn or sidewalk. Urns, pots, flower-boxes, and hanging baskets maybe placed outside the unit, provided (i) that each such container is placed on or over the patio, porch, or patio railing; (ii) that each such container contain only well-maintained flowers or shrubs and shall not be empty; and (iii) that anyone who affixes a hanging-basket or other container to any part of the building shall be responsible for repairing whatever breach occurs in the building by virtue of such attachment. Pots, urns, containers, feeders (including bird-feeders), furniture or other items are not permitted in the rock or grass areas. Barbecues and furniture intended for outdoor use (including tables, chairs, and a table-awning, but excluding other items of furniture), placed on the patio, are permitted. No other items visible to passers-by are permitted.

G. Holiday lights.

No exterior "holiday" lights, garlands, figurines, or any decorations of any kind shall be placed outside a unit except between each Thanksgiving and the subsequent January 31. Such lights or other decorations shall not be attached or hung by means of nails, staples, or similar fasteners.

H. Pets.

a. No pet shall be allowed in the common areas without an attached leash not more than 10' in length and someone controlling the leash, unless the pet is being carried at all times.

b. In the common areas, both within and outside Pelican Pointe's perimeter fence, a pet's solid waste shall be picked up immediately by its controlling person. Such waste must be picked up in a plastic bag and deposited in the receptacles provided by the Association for this purpose.



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c. No pet shall be allowed to make objectionable noises or become an unreasonable nuisance to other homeowners and guests. As an example, persistent or habitual barking, howling, or yelping will constitute a violation of the Rules.

d. Pets shall not be tethered, chained, or otherwise confined to any portion of the common areas at any time. A pet may be tethered on the homeowner's or tenant's patio, provided that the maximum length of the tether restricts the pet to only that patio. At no time shall a tethered pet have access to any portion of the common areas or are be permitted to impede access to sidewalks, entryways, and driveways.

e. Pets shall not be allowed to damage or destroy grass, shrubs, trees, other landscaping, or any portion of the common areas. A homeowner's or tenant's right to keep household pets is coupled with the responsibility to prevent and/or pay for any nuisance or damage caused by such pets. Grass or foliage damaged or destroyed by pet solid waste or urine is the responsibility of the homeowner(s) and tenant(s) of the units with which the pet is associated. The homeowner(s) and tenant(s) shall hold the Association harmless from any claim resulting from the action of his/her pet.

I. On-site sales of personal property.

a. No resident, from his townhome at Pelican Pointe, or from or on any part of the common areas, shall conduct, or purport to grant authority to conduct, a "garage sale" or other sale of tangible personal property.

b. However, on an occasional basis, a resident may offer for sale from his townhome a few items, including motor vehicles. Such conduct shall not be habitual, and shall not be a "garage sale", as that term is used in common parlance. No advertising of such sale shall be placed in or on the resident's townhome, or in or on any of the common areas; provided, however, that the resident may post a notice, reasonable in size and duration, offering his item(s) for sale, on the bulletin boards of the mail kiosks.

c. The Board may sponsor, once annually, a Pelican Pointe community-wide "garage sale", in which all residents may participate and offer items of personal property for sale. Such event, and all advertising and promotion and therefor, shall be under such terms and conditions as the Board shall prescribe, for the benefit and preservation of the entire community.

J. Barbecue grill on the front porch.

A barbecue grill maybe placed on the front porch of a unit that has no patio, but only when the grill is it actually in use. "Front Porch" of such a unit means the rectangular concrete entryway to the unit. Nevertheless, when the grill is not in use, it may be placed in the "in-set" of the L-shaped portion of that concrete if such portion is recessed from the front façade of the unit and the grill is readily observable only to passers-by who are directly in front of that unit.



K. Window treatments.

- a. No film shall be permitted on the inside or outside of a unit's windows without prior approval from the Board.
- b. No such film shall be permitted that has a reflective or mirrored appearance or effect.
- c. Bed-sheets and other interior window treatments they are likely to be distracting to passers-by, and which degrade or insult the overall appearance of the community, are not permitted.

L. Private plantings.

- a. Any homeowner wishing to replace and/or install a bush or tree, or to have a bush or tree removed, in the immediate area of his/her unit, solely at his expense, must complete and file with the manager the Association's form of Private Planting Request. If a new installation is sought, the homeowner should specify the precise requested location, and his preference of the type of bush or tree. If a removal is requested, the precise location and description of the bush/tree must be provided. The Landscape Committee or the Board shall consider the application, and determine whether to grant, modify, or deny it. Criteria for considering a new planting shall include, but not necessarily be limited to, how "crowded" is the subject site with other landscaping or structures; any history of viability problems at that site; and the overall probable aesthetic effect of the planting.
- b. All such removals and installations shall be conducted by a licensed and insured landscape contractor. The owner is responsible for the installation of plant material and the homeowner will not hold the Association or the Association's contractor liable if the planting dies or fails to thrive. If irrigation adjustments are required the irrigation work must be performed by the Association's landscape contractors and the expense passed on to the owner. All plantings become the property of the Association.

M. Satellite dishes and other antennae.

- a. *Satellite dishes.* No satellite dish shall be installed outside a townhome (unit) at Pelican Pointe unless and until the homeowner has filed with the Design Review Committee, on the approved Association form, a notice of intent to make such installation. A tenant may initiate the notice, but the homeowner must co-sign it. The installation should be the least offensive to the architectural integrity of the Pelican Pointe buildings, but nonetheless would enable the applicant to obtain a satisfactory signal from the satellite. The dish, its support arms, and cable should be as inconspicuous as practicable, ideally in the rear (garage side) of the unit. These components should not be visible from the front of the unit or from the front of opposing units. Disapproved are sites that require holes to be made in the roof or in the siding. Preferred sites, all in the rear of the unit, include the horizontal support boards and soffit boards, the trim boards, or on such boards between units. The arms and wiring may not be installed on adjoining townhomes' exterior surfaces.



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No part of the support arms, dish, or cables can be located less than 8' from the ground, but that minimum height is 14' if any part of the installation hangs over the driveway.

If, at the time of installation, the installer demonstrates that none of the approved locations will provide optimum reception, the installation must be aborted. The homeowner must apply to the Design Review Committee for a variance from these requirements, accompanied by a description of sites recommended by the installer.

Cables must be installed along eaves of the roof or parallel with and on the edge of the roof, or in the roof channels. They may not haphazardly cross over the roof. If a cable must run, in part, along a painted part of the building, the cable must be painted, at the homeowner's expense, to match the building. Cables should not be run in rain gutters, because damage could occur during gutter cleaning. If the support arms for the dish or the cables are installed in other than the approved locations, the homeowner will be required at his expense to cause these components to be moved to an approved location, and appropriate repairs made where the arms or cable were removed.

When a unit is sold, the seller shall remove the dish and its accessories, paying the Association for the costs of restoration – unless the buyer in writing to the Association assumes these ongoing obligations. However, when a unit is sold which has a satellite dish or accessories that are non-conforming with this Rule, the right to the non-conforming use shall terminate on sale, without regard to the buyer's willingness to assume the seller's dish responsibilities.

b. *Other antennas.* Antennas that are not designed to receive television or broadband signals (e.g., CB or HAM radio antennas) are prohibited.

c. The satellite dish applicant may be required to sign an indemnity agreement, supplied by the Association, whereby he/she agrees to repair such breaches in the roof, the siding, or any other exterior surfaces if and when the dish is removed. The applicant may be required to cause the dish's cable to be painted, at the applicant's expense, to harmonize with the exterior aesthetics of the buildings.



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IV. Responsible governance policies and procedures.

A. Homeowner inspection and copying of Association documents.

Homeowners are not entitled to access, review, or inspect any records of the Association unless specifically identified below:

-- The Association's governing documents which are comprised of the Declaration, the Bylaws, the articles of incorporation; Rules, forms, and design guidelines; and any policies adopted by the Board, including the Association's responsible governance policies.

-- Records of receipts and expenditures affecting the operation and administration of the Association.

-- Records of claims for construction defects and amounts received pursuant to settlement of any such claims.

-- Minutes of all homeowners' meetings and of all Board meetings (except records of executive sessions of the Board).

-- Records of actions taken by any committee of the Board without a meeting; and records of actions taken by the Board without a meeting, including written communications and e-mails among Board members that are directly related to the action so taken.

-- A list of the names of owners in a form that permits preparation of a list of the names and mailing addresses of all owners, as well as the number of votes each owner is entitled to cast.

-- Financial statements for the last three years, which at a minimum shall include the balance sheet, the income/expense statement and the amount held in reserves for the prior fiscal year.

--Tax returns for the last seven years, to the extent available.

-- The operating budget for the current fiscal year.

-- A list of the Association's current assessments, including both regular and special assessments.

-- The result of the Association's most recent available financial audit or review.

-- A list of the Association's insurance policies, which shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed.



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- A list of the names, e-mail addresses and mailing addresses of the current Board members and officers.
 - The most recent annual report delivered to the Secretary of State.
 - A ledger of each owner's assessment account.
 - The most recent reserve study, if any.
 - Current written contracts and contracts for work performed for the Association within the prior two years.
 - Records of Board or committee actions to approve or deny any requests for design or architectural approval from owners.
 - Ballots, proxies, and other records related to voting by owners for one year after the election, vote, or action to which they relate.
 - Resolutions adopted by the Board.
 - All written communications sent to all owners generally within the past three years.
 - A record showing the date on which the Association's fiscal year begins.
- b. All records maintained by the Association that are subject to inspection must be available for examination and copying within 10 days of a homeowner's request, unless the Board has a regularly-scheduled meeting occurring within 30 days of the homeowner's request. In such case, the Association can make the records available at that Board meeting.
- c. The Association or its manager may impose a reasonable charge, which may be collected in advance, to cover the cost of labor and copying costs for copies of the Association's records. However, the charge may not exceed the *estimated* cost of production and reproduction of the requested records.
- d. Association records and the information contained within those records may not be used for commercial purposes. Furthermore, while homeowners are not required to state a purpose for a request to inspect the records of the Association, the membership list may not be used to solicit money or property unless (i) such money or property will be used solely to solicit the votes of the homeowners in an election held by the Association; or (ii) for any commercial purpose; or (iii) sold to or purchased by any person.



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B. Procedures to be used by Association in cooperating with a selling homeowner.

a. The Association's manager shall cooperate with a selling homeowner, as established by local custom relating to real property closings. The manager may be notified of a pending sale by a title insurance company, a real estate agent, a mortgage lender,

appraiser, or by the seller. Thereupon, the manager shall promptly (with at least 5 business days' notice) provide to the title insurance company and relevant parties:

The Association's governing documents; minutes of the most recent annual homeowners' meeting, even if not yet ratified by the homeowners; minutes of all Board meetings held within the previous 6 months of the request; the Association's current operating budget; and its most recent annual and monthly income and expenditures statements. The manager, acting for the Association, may send the requested documents by email or in printed form. The request will be honored only to the extent that the Association, acting through its manager, has such documents within its control.

b. The manager may charge a fee as determined per the signed management contract for its services and for producing such documents, even if by email; for producing a status letter; and for communicating and providing information as is customarily requested by the title company, the seller, the buyer, appraisers, mortgage lenders, insurance agents, taxing authorities, and their respective agents. This fee may be allocated between seller and buyer as they or their agents so determine.

The purchaser shall also pay to the Association at the closing of his/her purchase the sum of \$350, which shall be deposited by the Association in its Buyers' Contribution Reserve account. The account may be co-mingled, for investment purposes, with the Association's other reserve investments, to provide funding for the payment of unanticipated capital expenses of the Association or for capital expenses for a specific item which exceeded the amount budgeted therefor. This contribution shall be non-transferable and non-refundable.

Until the charges in this Rule IV(C) have been paid, the Association will not transfer to its accounting or other records, and to its membership rolls, the identity of the new buyer.

C. Education of homeowners; education of directors and committee chairs.

a. The Board shall offer "education" to its homeowners relating to the general operations of the Association and the rights and responsibilities of homeowners. This education shall be offered through articles in its newsletter, *The Pelican Brief*. Since the newsletter is published 10-12 times annually, articles appearing in all, or substantially all, of the newsletters can cover many topics and subtopics on the required subject areas.



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Since *The Pelican Brief* will be the main source of homeowners' "education", maximum distribution shall be achieved by providing each issue in printed form at the mail kiosks and via email to all homeowners who provide an email address.

b. The Board encourages its Board members, as well as committee chairs, to attend the Denver area forums or other educational classes on any subject involving governance of covenant-controlled communities in Colorado. Each of such persons shall notify all Board members, in advance, of his/her intention to attend a specific session, and

may obtain reimbursement for (i) any registration and parking costs, (ii) a meal (if the price of the meal is not included in the registration fee, but the meal is included in the agenda), and (iii) round-trip car mileage at the then prevailing IRS-approved rate for vehicular business travel. If two or more such persons plan to attend, they are encouraged to travel together. Pre-approval (by email or otherwise) of such attendance by a majority of the Board is required for such reimbursement, although those planning to attend are not disqualified from voting for such pre-approval.

D. Investment of reserve funds, and standards of care for directors and officers.

a. General standard of care. All directors and officers of the Association shall be bound and governed, in acting in their official capacities, by the Colorado Revised Nonprofit Corporation Act. They shall exercise their duties in good faith; with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner which the director or officer reasonably believes to be in the best interests of the Association. No director shall be liable for actions taken or omissions made in the performance of his duties except for wanton and willful acts or omissions.

b. Prudence in the investment policy. When investing the Association's funds, Board members shall operate under the standards of care set forth in Colorado's Prudent Investor Rule, known as the "Uniform Management of Institutional Funds Act", and the Uniform Prudent Investor Act. Board members and will meet the necessary standard of care if they:

- Exercise ordinary care and prudence given the current facts and circumstances (e.g., the economy; the Association's general financial condition);
- Consider what the Association is likely to need both in the short term and the long term to meet the Association's purposes and its anticipated financial requirements and goals;
- Invest and manage assets like a prudent investor but considering the relevant circumstances of the Association of which they should reasonably be aware;
- Make all investment and management decisions considering the entire investment portfolio; and
- Make all investment and management decisions as a part of an investment strategy that appropriately balances risks and returns for the Association.



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c. Accumulation and expenditure of reserve funds. The Board shall continue to embrace the policy, consistent since the Association's inception, of creating and building the necessary financial reserves, in advance, to enable it to pay for capital repairs and improvements, as and when needed; and to pay for relatively-large unexpected expenses which are not ordinarily included in the Association's operating budget and which could not have been reasonably anticipated. Accordingly, the reserves will continue to be funded (a) by diverting a fixed portion of each homeowner's monthly installment of his annual assessment into the reserves, and (b) by devoting all of the buyers' reserve contributions to these reserves.

d. Specific investment policy. The Board will continue the Association's primary investment objective of safety. The rate of return on invested funds will be secondary. A "low risk—low rate of return" policy will be continued, whereby the reserve funds have habitually been invested in certificates of deposit. The Board may also invest reserve funds in bank accounts or money market funds (if these accounts or funds are guaranteed or insured by the federal government or an agency of the federal government); U.S. Treasury obligations; investments secured or guaranteed by federal and/or state insurance programs; and/or federal- or state-issued obligations or funds which are invested in federal obligations.

The Board may seek specific investment advice from one or more professional investment advisors, but the Board shall make or ratify all investment decisions. The Association's financial statements shall show, in reasonable detail, the status of its investment portfolio and performance figures relating thereto.

(e) Reserve studies. From time to time, the Board may commission a reserve study by independent engineers. The Board will use that study as a reference, but will not be bound to fund our reserves according to any schedule for funding set forth in the study. The Board will make its own reasoned determination of the life of our capital assets (guided, in part, by its experience and informal opinions of its contractors and subcontractors), and if and when such assets need to be repaired, rehabilitated, or replaced, using the study as a partial guideline.

E. Handling of Board member conflicts of interest.

a. A Board member must disclose to the Board that he has a conflict of interest, whether the conflict is real, or merely potential or perceived. The conflict arises when a Board member – or a spouse, ancestor, descendant, or sibling, or an estate or trust in which the director or a party related to a director has a beneficial interest, or an entity in which a party related to a director is a director or officer or has a financial interest – has a direct or indirect pecuniary interest in the Board's adoption or rejection of a specific contract, resolution, or course of action. All Board members should disclose any conflict they reasonably believe exists pertaining to any other Board member if not previously disclosed by the apparently-conflicted Board member. The conflicted Board member may explain to the Board the circumstances involving the alleged potential, perceived, or actual



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conflict, and may participate in the discussion concerning the matter under consideration. He must then recuse himself from further consideration of and from voting upon the specific contract, resolution, or course of Board action in which the conflict resides. Notwithstanding the conflict, the Board (after such disclosure and recusal) may nonetheless take formal action which benefits the conflicted Board member by virtue of such vote; provided, however, that the benefit to the Association of such formal action justifies or requires such vote.

b. The conflicting interest transaction is not voidable by the Board or by the homeowners if one of more of the following conditions are met:

- (i) Disclosures are made to the Board and the Board authorizes, approves or ratifies the conflicting interest transaction; or
- (ii) Disclosures are made to the homeowners and the homeowners approve the conflicting interest transaction; or
- (iii) The conflicting interest transaction is fair to the Association.

c. The conflict, the conflicted Board member's explanation, and the subsequent vote on the relevant matter should be memorialized in the Association's Board Minutes.

F. Policy for adopting new rules and policies, or amending or deleting existing ones.

1. Tentative agenda. At least five calendar days before a regular monthly meeting of the Board, the manager of the Association shall post a tentative Agenda for that meeting on each of the Association's three bulletin boards.

2. Notice of proposed new rules/policies, or amending or deleting existing ones (herein called a "change"). If the manager or the Board proposes such a change, it shall provide the proposed change, verbatim, with that tentative Agenda.

3. Conditional effectiveness. If, at such meeting, the Board enacts a change, and the tentative Agenda did not precisely reference this change, the change is nonetheless effective, but is subject to ratification by the Board as part of its Agenda at its next regular meeting, and the tentative Agenda for that next meeting shall set forth, verbatim, the change so enacted.

4. Alternate way to notify homeowners. In lieu of, or in addition to, the foregoing notification procedures, the change(s) may be the subject of an Association newsletter article in the edition published prior to the proposed enactment.

5. Trivial changes. Trivial or minor administrative changes in the rules need not be disclosed prior to their enactment by the Board.



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6. Post-enactment notification. As soon as practicable after such enactment, the manager shall notify all homeowners and residents thereof, by email, by the next published newsletter, or by direct mail to homeowners and residents who do not have email capacity.



V. Homeowners' meetings.

A. Homeowners' meetings: Notice requirements.

a. Homeowners who are delinquent in the payment of their assessments as of the meeting date are not eligible to vote as such meeting, but may attend and participate nonetheless. The record date for voting eligibility is defined in Section 4.3 of the Bylaws.

b. Notice of annual or special homeowners' meetings shall be provided to all homeowners, regardless of their eligibility or non-eligibility to vote at such meeting, by regular mail, first-class postage prepaid. Notice shall also be posted in each of the three Association's mail kiosks' bulletin boards.

c. Electronic notice to homeowners of homeowners' meetings must also be supplemented by regular mail or by personal delivery. The Bylaws require the notice of such meetings to be "delivered" no less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, to those homeowners entitled to vote at that meeting.

B. Homeowners' meetings: Attendance, representatives, and participation.

a. All homeowners, whether or not qualified to vote (or an owner representative designated in writing by the homeowner) may attend all homeowners' meetings, and shall have the right to speak on any issue at the meeting (subject to limitations described below). This opportunity to speak is allowed in addition to any other speaking opportunities provided by the Board.

b. The Board, through its President, shall permit a reasonable number of people to speak to each side of an issue before taking a final vote on that issue. The number of homeowners allowed to speak on an issue will vary, depending upon the number of homeowners who wish to speak. Because the Board has a legitimate interest in terminating redundant statements, limiting the discussion to matter of community-wide interest (as opposed to "private agenda" items or complaints), limiting rancorous speeches, limiting statements to a reasonable length, and limiting the number of speakers endorsing the same position on an issue – it may (i) limit the number of speakers on a given side of an issue, and (ii) limit the amount of speaking time for each speaker. These limitations shall always be liberally applied, with a view to encouraging and allowing as much homeowner participation as is helpful to the Board in resolving or deciding the issue at hand.

c. The Board may, but need not, require that all homeowners wishing to speak on a certain issue first execute a sign-up sheet to better ensure that all who wish to speak may have an opportunity to do so (consistent with the reasonable restrictions described herein). A sign-up sheet will provide evidence that the Association is complying with participation requirements. A homeowner may sign a tendered sign-up sheet as late as the beginning of discussion on the issue.



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d. The highest ranking officer of the Association shall preside at all meetings of the homeowners. Formal adherence to Roberts Rules of Order or any similar format need not occur. Regular (annual) homeowners' meetings shall be conducted pursuant to an agenda, which shall be published and distributed to the homeowners with the notice of the meeting, the summarized proposed budget, and proxy materials. The agenda will include at least the following procedures, with a view to providing homeowners with useful information about how their Association is governed as well as the consequences of their actions:

- review of, and a vote on, the minutes of the previous regular homeowners' meeting;
- reports from the Association's President and Treasurer with highlights of the most significant events affecting the Association since the previous meeting and financial results and status of the Association;
- reports from selected committee chairpersons;
- a vote on the proposed operating budget of the Association for the ensuing calendar year;
- election or removal of directors;
- any proposed changes to the Covenants or Bylaws; and
- ample opportunity for questions or comments from homeowners (provided that the questions or comments relate to the community and not solely to individual complaints or private agendas). Notices of special homeowners' meetings shall also contain an agenda, which shall be limited to the issue(s) on the notice, and to any other matters that shall lawfully come before such meeting.

C. Homeowners' meetings: Proxies and ballot

a. All proxies shall be written. A suggested form of proxy shall be sent with the notice of annual meeting of homeowners. A "default" attorney-in-fact may be named in such notice-and-proxy materials. A homeowner may devise his own form of proxy, provided that it is legible and makes clear the extent of the authority granted. A proxy can be superseded by a later one, and can be revoked at a homeowners' meeting by the appearance there of the proxy's grantor and his written statement to the presiding officer that he wishes his prior prox(ies) to be void.

b. The Board may reject a proxy appointment or a proxy appointment revocation when it has a reasonable, good faith basis to doubt the validity of a signature or the signatory's authority to sign for the homeowner. The Association and its officers or agents who accept or reject such a proxy in good faith are not liable for any damages that may result from the acceptance or rejection. Unless a court decides otherwise, any action taken on the acceptance or rejection of any proxy will be deemed valid. The same right and the same exculpatory provisions relate also to any vote or ballot. An Association rejects or accepts a proxy in "good faith" when such rejection or acceptance is done with honesty, fairness, and without malice, intent to defraud, or to take unfair advantage.

c. In order to be eligible for placement upon a ballot for the election of Director(s) of the Association, a homeowner (who otherwise qualifies) must notify the



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Board of his candidacy, in writing, and post such notice in each of the three mail kiosks, no less than 10 days before the scheduled Meeting whereat such election will be held.

d. Secret ballots must be used in contested Board member elections. At the direction of the Board or upon the request of 20% of the homeowners who are present in person or represented by proxy, if a quorum has been achieved, a vote on any matter affecting Pelican Pointe on which the homeowners are entitled to vote shall be by secret ballot. Ballots must be counted by either a neutral third party or by a committee of volunteers. Such volunteers shall be homeowners who are selected or appointed at an open meeting, in a fair manner, by the presiding officer. The volunteers shall not be Board members, and in the case of a contested election for a Board seat, shall not be candidates. When reporting the vote results, no reference may be made to names, addresses, or any other identifying information. Ballots cannot contain any information or markings that would allow another to identify who voted the ballot.

e. All the persons counting shall, together, report the voting result(s) to the presiding officer, who will promptly announce such result(s). Such announcement shall include the number of votes tallied upon each election or other ballot issue. All written proxies and ballots employed at a homeowners' meeting shall be preserved by the manager at least until the commencement of the next succeeding annual meeting of homeowners. The parliamentary procedure of voting by acclamation as a method of election in uncontested elections is allowed.



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VI. Directors' meetings: Rights of homeowners.

a. *Directors' meetings: notice.* In lieu of posting and notifying directors and homeowners each month, the Association may post a notice once in each of the three mail kiosks, and in its newsletter, if it has arranged for a regular monthly Board meeting to be held at the same place, at the same time and day of the month, in each calendar month of the calendar year (e.g., "first Monday of each calendar month, at 6:30 p.m., at the Windsor Gardens facilities). If and when the Board changes the date, time, or place of such regular meeting; or if it schedules a special meeting of the Board, it shall notify the directors and homeowners by such a posting (and by newsletter, if publication dates permit). These notices of regular or special Board meetings shall be posted (and published, if time permits) as soon as practicable after such meeting information has been determined by the Board. However, at least three calendar days' notice is required for all Board meetings not regularly scheduled. Homeowners have no right to notice of, or to attend, executive sessions or workshops of the Board. At such workshops, no formal action may be taken on any budgetary or other matter.

b. *Directors' meetings: participation.* Homeowners are not allowed to participate in deliberations at Board meetings. However, the Board must allow a homeowner to speak before the Board takes formal action on any item under discussion. The Board shall provide for a reasonable number of people to speak to each side of an issue before taking a final vote on that issue. The number of homeowners allowed to speak on an issue will vary, depending upon the number of homeowners who wish to speak. Because the Board has a legitimate interest in terminating redundant statements, limiting the discussion to matters of community-wide interest (as opposed to "private agenda" items or complaints), limiting rancorous speeches, limiting statement to a reasonable length, and limiting the number of speakers endorsing the same position on an issue – it may (i) limit the number of speakers on a given side of an issue, and (ii) limit the amount of speaking time for each speaker. These limitations shall always be liberally applied, with a view to encouraging and allowing as much homeowner participation as is helpful to the Board in resolving or deciding the issue at hand.

c. *Sign-up sheets.* The Board may, but need not, require that all homeowners wishing to speak on a certain issue first execute a sign-up sheet to better ensure that all who wish to speak may have an opportunity to do so (consistent with the reasonable restrictions described herein). A sign-up sheet will provide evidence that the Board is complying with participation requirements. A homeowner may sign a tendered sign-up sheet as late as the beginning of discussion on the issue.



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VII. Committees and committee meetings.

Committees shall be designed by the Board, and are subject to the provisions of Article VIII of the Association's Bylaws, entitled *Committees*.

a. *Notice, attendance, and participation.* Notices of committee meetings need not be posted, although the identity and email address of the committee chairperson should be readily available to homeowners. Any homeowner wishing to receive such committee meeting notices should be included upon the committee chairperson's email address list for that purpose, if such email list exists. Homeowners have no right to participate at committee meetings, unless expressly authorized to do so by the committee.

b. *Committee authority.* The Board should provide each committee with a clear description of its function and mandate, with a brief outline of the Board's expectations for that committee. A committee shall have the authority to solicit proposals from any vendor or contractor, for a given project or sub-project, but shall have no authority to award or enter into contracts on behalf of the Association.

c. *Committee member responsibility.* The Board may prepare and deliver a general statement of a committee member's responsibilities to each member of, or volunteer for, a committee membership. Subject to Board approval, each committee chair may supplement that statement, tailoring it to that specific committee. The Board should acknowledge that making committee membership dependent or contingent upon a performance pledge from a committee member would, in most instances, be too onerous to enable committees to recruit and retain members. The statement should also acknowledge that some committee volunteers may be interested in participating in *some* aspects of that committee's work, but not necessarily in *all* of such work.

d. *Communications among committee members.* Between its meetings, a committee chair may elect to conduct all, or most, of the committee's communications between and among its members by email, for ease and efficiency. In the event that a member has no email service, the chair may require that member to provide the chair with a reasonable number of pre-stamped, pre-address envelopes, to be used by the chair in sending a printed copy of the more important communications to that member. The chair and such member may mutually devise and utilize other communications strategies, although telephone communications, in most instances, will be discouraged as an unreasonable imposition upon the chair.



VIII. Specific responsibilities for maintenance and repair.

A. Governing Covenants and general context.

Rules adopted by the Board of the Association must be consistent with the rights and obligations of the Association and of the homeowners, as set forth in our Covenants. Rules adopted by the Board (i) are properly enacted, implemented, and enforced in furtherance of the Covenant provisions; and (ii) are appropriate to resolve, by reasonable interpretations of the Covenants, any ambiguities or omissions in the Covenants.

Article VIII, of our Declaration of Covenants, Conditions, and Restrictions (“Covenants”), entitled *Maintenance*, contains most of the provisions from which the Rules in this Section VIII are derived or upon which these Rules are based.

In relevant part, Article VIII, Sec. 8.1(8) of the Covenants provides that “The Association shall provide for regular maintenance, repair and replacement of the following *exterior* components of each [townhome unit]:

- (1) The roofs, gutters, attic vents and soffits;
- (2) The *exterior* wall surfaces and garage doors*, but not including windows, pedestrian doors or antennas/dishes permitted in writing by the Board of Directors added by [homeowners]; and
- (3) Walkways and driveways [*emphasis supplied*].”

In relevant part, Sec. 8.2 of the Covenants provides that “[O]ther than the Association duties [set forth above], each [owner] shall be responsible for the maintenance, repair and reconstruction of [his/her unit], including without limitation concrete porches at entrances and concrete patios. . . and antennas/dishes.”

The crawl space is the area beneath each unit. It is sometimes called the unit’s “footprint.” Article I, Sec. 1.19, of the Covenants, describes each homeowner’s townhome unit, in part, as “the land upon which such [townhome] is located.” Among other things that crawl space contains support structures, plastic sheeting, electrical and communication lines, heating and cooling pipes and ducts, plumbing, and construction debris.

The following sections and subsections of this Article VIII of these Rules are not necessarily exhaustive or all-inclusive of the areas or subjects of homeowner responsibility for the maintenance and repair of his unit.

B. Plumbing.

Each homeowner is responsible for the maintenance and repair of all plumbing fixtures, connections and pipes serving his unit. This responsibility includes the plumbing within all walls, including common walls, and beneath floors. If necessary, the Association may enter a unit to make emergency repairs in the absence of the homeowner, and the homeowner will pay all costs the Association incurs.



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C. Mold.

Each homeowners is responsible for the removal of any and all mold within his unit or in the crawl space below his unit.

D. Direct and consequential damage to interiors.

a. Except to the extent covered by its insurance, the Association shall pay for all damages to the interior of a unit which are the direct and consequential result of fire, smoke, vandalism, burglary, break-ins (or attempts thereat), or water damage from leaking roofs, walls, soffits, gutters, ceilings, or flashing.

b. Exception to the immediately preceding paragraph:

(i) The Association shall not be responsible to pay for any damage to personal property in the unit or any items the damage to or loss of which are ordinary protections in an "HO-6" condominium unit owner's insurance policy, with a zero "deductible," whether or not the homeowner or resident carried such insurance at the time of the loss.

(ii) If the negligence of the homeowner or resident, or of his family members, tenant, invitee, or agent, is the proximate cause of the loss, the Association shall have no responsibility therefor.

(iii) In no event shall any costs of installation, repair, or maintenance of a roof-mounted skylight be the responsibility of the Association.

E. Antennas, satellite dishes, doors, and windows.

a. Antennas and satellite dishes. A homeowner shall have the exclusive responsibility to repair and maintain any antenna or satellite dish, including the supporting arms and cables thereof, which the Association has permitted to be installed outside his unit.

Per Board vote December 10, 2018 b. Garage doors and garage door mechanisms. The Association shall be responsible for the regular repair, maintenance and replacement of the garage doors, garage door panels and any exterior door hardware. This shall include the painting of the exterior surface of the garage doors. The Association, however, shall not be responsible for the repair, maintenance or replacement of the garage door's interior hardware, springs, track, rollers, electronic mechanisms, or any other parts or components of the garage door which are located inside the garage. However, the cost to repair any damage to the garage door's exterior surface, painting, panels, frame or exterior hardware, it caused by the homeowners, resident or their invitee(s), shall be borne by the homeowner.

c. Pedestrian doors. The Association shall not be responsible for the repair or maintenance of pedestrian doors, screens, security or storm doors, including the frames thereof, the hardware that is part thereof, and the glass therein. The Association will cause the exterior surface of a unit's front door to be painted when the Association's buildings, as a whole, are painted. Further, the Association shall be responsible for the maintenance of the glass insert and its frame in that front door (unless that glass or frame are damaged by the negligence of the resident, his invitees, or tenants).



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d. Windows. The Association shall not be responsible for the repair or replacement of windows, the exterior or interior panes thereof, window locks, screens, or window frames, excepting only its responsibility for the repair and maintenance of the exterior window frames.

F. Front porch and patio surfaces, walls, railing, and gates.

a. Front porch and patio surfaces. Repair and maintenance of the concrete surfaces of the front porch and the patio are the responsibility of the homeowner. Alterations to, or modifications of, the surface of the patio require the pre-approval of the Board and its Design Review Committee.

b. Patio walls. Maintenance and repair of the patio walls are the Association's responsibility. However, in the following instances, that responsibility shifts to the homeowner:

(i) If the homeowner or resident hangs or attaches anything to the patio walls, by any means, even if such attached item is permitted by our Rule(s) relating to exterior items on patios, the homeowner becomes responsible for the cost of any repair necessitated by that attachment. Further, if and when the Association paints the patio walls, the homeowner is responsible for removing the attachment or otherwise acknowledging that the painters may paint the attachment where attached.

(ii) The homeowner is responsible for repairing any damage caused to the patio walls due to improper drainage off the patio due to homeowner modifications.

c. Patio gate to the driveway. The patio is a "limited common area" as defined in the Covenants. As such, the patio gate to the driveway, on the "inside" units, must be maintained by the homeowner.

d. Patio railings and gates. Each homeowner is responsible for the repair and maintenance of the porch railing and patio railing and any approved gate thereon which are appurtenant to his unit. However, the Association may elect to complete minor repairs and/or paint the railing in the interests of exterior appearance and uniformity.

G. Animal and pest control.

The Association will not provide pest control or exterminating measures within a unit. Any exceptions must be authorized by the manager. All pest control services within a unit must be performed by a professional certified exterminating or animal-removal company at the expense of the homeowner or resident.

The Association shall be responsible for the removal of animals within an attic; the replacement of any soiled insulation; the application of Kilz or other similar disinfectant-type substance to structures within the attic; and the repair of and around the apparent entrance-point utilized by the animal(s).



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IX. Insurance and the management of claims.

A. Submission of claims to Association's insurance carriers.

a. The Association will purchase and maintain in force such policies of insurance:

- (i) As required in Covenants, Article X, *Insurance*, and
- (ii) As the Board deems appropriate for the protection of the Association, its assets, its directors, officers, managers, and agents.

In the policies, the homeowners, as such, are not named as insured; they may be deemed to be indirect insured or beneficiaries of the insurance. The Association will manage all claims, which are asserted by the Association against others, including coordination with the Association's insurers and their agents.

b. A homeowner may file a claim against an insurance policy of the Association to the same extent, and with the same effect as if the homeowner were a named insured, *if* the following conditions are met:

- (i) The homeowner has contacted the Association's manager or its president, in writing, regarding the subject matter of the claim;
- (ii) The homeowner has given the Association at least ten days to respond in writing, and, if so requested, has given the Association's manager a reasonable opportunity to inspect the damage; and
- (iii) The subject matter of the claim falls within the Association's insurance responsibilities.

c. Generally, the Association will not file a claim with its insurer(s) if the maximum amount of the claim appears, in the reasonable estimation of the Association, to be less than the deductible in the subject policy.

B. Homeowners' own insurance.

Homeowners are strongly encouraged to purchase and maintain their own "homeowner's" policy of insurance, sometimes called "condominium unitowner's insurance" or "HO-6" insurance. Such policy should cover

- (i) the contents of their own units, and
- (ii) any loss or damage that is not covered by the Association's master insurance policy.

Homeowners are encouraged to provide for their insurer or their agent the relevant Rules herein and relevant portions of the Covenants (especially Articles VIII and X thereof) in order for their insurer to issue to the homeowner an appropriate insurance policy, to provide coverage (subject to the deductible selected by the homeowner) for:

a. Circumstances apparently not covered by the Association's responsibilities,



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- b. Circumstances apparently not covered by the Association's own insurance policies, and
- c. the "deductibles" contained in the Association's policies (as described in Subsection C, below).

C. Insurance deductibles.

A. Article X of the Covenants provides that the Association shall purchase and maintain certain policies of insurance for the direct benefit of the Association and the indirect benefit of the respective homeowners. Property insurance covering the common areas and the homeowners' units is subject to applicable deductibles. In the event of a loss of, or damage to, such property so insured by the policy or policies maintained by the Association, the insurance proceeds, generally, must be augmented by the said "deductible" so that there will be adequate funds to restore the loss or damage. This Rule allocates the responsibility for such payment of the "deductible":

(1) The party who or which has the primary responsibility, under the Covenants and Rules, for the maintenance of the fixture or component which was the source or the cause of the damage, shall pay the deductible.

(2) However, if in the reasonable opinion of the Board of Directors, the proximate cause of the loss is due to the *negligence* of a homeowner, family member, tenant, or invitee, the deductible shall be paid by that homeowner.

(3) If there are multiple units damaged, but negligence is attributed to only one of the units, the latter unit's homeowner shall also be responsible for the damage suffered by the non-negligent unit (except to the extent that repair of such damage is paid or reimbursed by the Association's insurer).

Notwithstanding the foregoing provisions in this Rule IX(C)(a), if the damage to any of the residential buildings is caused by wind or hail, the "deductible" portion of the Association's insurance may be assessed against all Pelican Pointe homeowners as a special assessment pursuant to Section 5.3(b) of the Association's Covenants. The total of such special assessment shall be divided equally among the owners of the 190 townhomes in Pelican Pointe, regardless of whether or not the individual homeowner's townhome was damaged. Homeowners are strongly encouraged to maintain, in their own homeowner's insurance policy, adequate "loss assessment" coverage to allay the potential cost of such a special assessment.

Example No. 1: A unit, and perhaps other units in the same building, is damaged by water from a broken water line that supplies the icemaker in the unit's refrigerator. The Association's insurer agrees to pay for the resulting damage, less the deductible. In this example, the homeowner must pay the deductible, regardless of whose fault (if any) contributed to or caused the break, because he had the responsibility, under the



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Association's governing documents, to maintain his own appliances. He may file a claim with his own homeowner's insurance company.

Example No. 2: A fire in Unit A is caused by the tenant's negligent use of the cooktop. Neighboring Unit B is also damaged. The homeowner of Unit A must pay the deductible, and costs to repair the damage to Unit B (except to the extent that the damage to Unit B is paid by the Association's insurance).

Example No. 3: Either the water damage in Example No. 1, or the fire damage in Example No. 2, results in total damages less than the deductible. The homeowners (of the units wherein the refrigerator line broke and the cooktop fire started) must pay for all damages to all damaged units.

Example No. 4: During a heavy rain, water enters a unit. The insurer agrees to pay for the resulting damage, less the deductible. Neither the Association nor the homeowner was aware that the gutter which should have prevented the water's incursion was clogged. In this example, the Association must pay the deductible, because maintenance of the gutters is its responsibility under its governing documents.



THE PELICAN POINTE HOMEOWNERS ASSOCIATION

X. Catamaran Club.

a. The terms and conditions under which a Pelican Pointe homeowner or resident can join and belong to the Catamaran Club at Tava Waters are set forth in (1) that certain Rec Center Use Agreement between The Pelican Pointe Homeowners Association and (Breakers) Rec Center Limited, dated in 1998, and (2) any rules and regulations published by the Club from time to time.

b. The monthly Club membership fee (“dues”) of all new and existing Club members at Pelican Pointe is payable to the Association, and shall be delivered to Association management on the first day of each calendar month, in advance. A grace period is granted, such that the dues must be in the hands of Pelican Pointe management by 5:00 p.m. on the 13th day of that calendar month (in order to enable Association management to prepare and deliver to the Club the required monthly report, with remittance, for the month of such delivery, by the 15th of that month). Management may reject Club fees received thereafter.

c. To terminate a membership, the resident or homeowner at Pelican Pointe must notify Association management, by phone or email, by 5:00 p.m. on the final day of the final membership month. If the Association management does not receive that termination notice by then, the member will be charged by the Association, for the monthly dues, for the month in which the monthly report is made and delivered to the Club. Promptly upon providing notice of termination to Pelican Pointe management, the terminating Club member shall deliver to management the membership card(s); the Club may charge \$30 to the Association for each such card not surrendered timely, and the Association will assess that penalty against the former Club member.

d. If a member terminates his membership, voluntarily or involuntarily, he/they may not rejoin the Club until after the passage of three full calendar months from the date of such termination.

e. Club membership does not confer or include any interest or ownership in Tava Waters, the Club, or their assets. Membership grants no right to govern or control the affairs of Tava Waters or the Club. No member may sell or transfer his membership or any interest therein. This Association has no ownership or other interest in Tava Waters or in the Club. It is not an agent for Tava Waters or the Club, except for the limited function of collecting and remitting the Pelican Pointe members’ monthly Club dues, and returning to the Club the membership cards of members whose membership has terminated.

f. All exercise and recreation equipment and facilities at Tava Waters and the Club are used or enjoyed at the sole risk of the member and his guests. As a condition of his membership, and in partial consideration of this Association’s remitting function, the member waives any rights or claims which he, or his successors, heirs, or personal representatives may otherwise have against this Association, arising out of the use of Tava Waters, the Club, or any of the facilities there, including, but not limited to personal injury, death, or property loss or damage.



THE PELICAN POINTE HOMEOWNERS ASSOCIATION

XI. Enforcement, collections, hearings, and fines.

A. Collection of delinquent assessments.

Prior to referral to legal counsel or collection agency – due date, late fees, and interest.

1. Assessments are due on or before the 1st day of each month. If the full amount of any assessment due is not received by the Association by that due date, the assessment shall be considered delinquent. If the full amount of any assessment due is not received by the Association by the 15th day of the month in which the assessment is due, a late fee of up to \$25.00 per month shall be assessed to the delinquent account. Delinquent assessments shall bear interest at the rate of 18% per annum from the due date until paid in full.

Prior to referral to legal counsel or collection agency – Notice of delinquency.

2. In the event of a delinquent assessment, the Board or its manager shall mail to the reputed owner(s) at the address within the community of the subject townhome unit, and to such other address, if any, of which the Association has been advised by the delinquent owners in writing a reminder letter, the format and contents of which, including the notice of and amount of the late fee, shall be determined by the Board and may be amended by the Board from time to time. The reminder letter may be mailed to the Owner who is delinquent, as stated above, after the 15-day grace period has expired.

3. If the delinquent assessment is not paid by the 15th day of the calendar month which follows the original due date, the Board may send a second letter, described in Section 4, below, requesting payment no later than 30 days after the date of this second letter.

4. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the said second letter to the Owner shall state:

-- The total amount due, with an accounting of how the total was determined;

-- Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan;

-- The name and contact information of the individual whom the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and

-- The following or similar statement: "Action is required to cure the delinquency. Failure to do so within 30 days may result in your account being turned over to a collection agency, a lawsuit being filed against you, the filing and foreclosure of a lien against your property, or other remedies available under Colorado law."



THE PELICAN POINTE HOMEOWNERS ASSOCIATION

5. If the delinquency is not paid in full by the date set forth in the notice providing the above information, the Board may send an additional letter to the Owner or exercise its legal remedies, including referring the Owner's delinquent account to the Association's legal counsel for collection or turning over a delinquent account of an Owner to a collection agency.

After referral to legal counsel.

6. After the delinquent account has been referred to the Association's legal counsel (hereinafter, the "Association Attorneys"), the delinquent Owner shall direct all communications regarding the delinquent account to the Association Attorneys.

7. The Association Attorneys shall mail a demand letter to the reputed Owners at their address or addresses described above. This demand letter from the attorneys shall demand full payment of all amounts then owing by the Owner(s) to be received within 30 days from the date of this letter.

8. If this full amount set forth in this attorneys' demand letter is received by the Association Attorneys on or before the date set forth in the letter, the Association Attorneys shall take no further action and shall refer the account back to the Association.

9. If the Owner fails to pay the full amount set forth in the initial demand letter, the Association Attorneys may file a lawsuit against all Owners subject to an assessment obligation for the property in question. In the alternative or in addition thereto, the Association Attorneys may also pursue the remedies set forth in the section, Legal Remedies, below. The lawsuit(s) shall set forth the alleged delinquent assessment, the amount of late fees due, the costs of collection, attorneys' fees, court costs, and any other expenses due as of the date or the approximate date of the lawsuit.

10. The lawsuit(s) shall be prosecuted, as the Association Attorneys deem appropriate. All costs and expenses, including reasonable attorneys' fees, shall be applied to the delinquent Owner(s)' account and shall be collectible as and treated as assessments.

11. The Association may foreclose on its lien only if:

- a. The balance of the assessments and charges secured by the Association's lien equals or exceeds six months of common expense assessments; and
- b. The Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. Any legal action filed without evidence of the recorded vote authorizing the action must be dismissed. No attorney fees, court costs, or other charges incurred by the Association or a holder or assignee of the Association's lien in connection with an action that is dismissed for this reason may be assessed against the Owner.



THE PELICAN POINTE HOMEOWNERS ASSOCIATION

Payment plans.

12. This section sets forth the circumstances under which an Owner is entitled to enter into a payment plan with the Association, pursuant to C.R.S. 38-33.3-316.3. The Association shall make a good-faith effort to coordinate with an Owner to set up a payment plan that meets the requirements of this statute, unless the Association is not obligated to negotiate or enter into a payment plan with an Owner.

13. The Association is obligated to negotiate, coordinate, and enter into a payment plan with an Owner unless:

a. The Owner has previously entered into a payment plan with the Association under this policy; or

b. The Owner does not occupy the property and has acquired the property as a result of: (i) a default of a security interest encumbering the property; or (ii) foreclosure of the Association's lien.

14. An Owner may pay off the deficiency in equal installments over a period of at least six months. Said period shall begin at the Association's sole discretion.

15. An Owner fails to comply with the terms of his or her payment plan if: (i) the Owner fails to timely remit payment of an agreed-upon installment; or (ii) the Owner fails to remain current with regular assessments as they come due during the agreed-upon payment period.

16. If an Owner fails to comply with the terms of his or her payment plan, the Association may pursue legal action against the Owner without further notice to him/her.

17. For purposes of this section, "assessments" includes regular and special assessments and any associated fees, charges, late charges, attorney fees, fines, and interest charged pursuant to C.R.S. 38-33.3-315(2).

Legal remedies available to the Association.

18. The legal remedies available to the Association to collect on an Owner's delinquent account include:

a. Recording a notice of assessment lien against a delinquent Owner's property, in addition to the Association's statutory lien;

b. Bringing an action at law for entry of a money judgment in favor of the Association and against a delinquent Owner;

c. Bringing an action for appointment of a receiver.

d. Bringing an action for foreclosure of the Association's lien against the property of the delinquent Owner;

e. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interest;



THE PELICAN POINTE HOMEOWNERS ASSOCIATION

f. Turning over a delinquent account of an Owner to a collection agency; and
g. Failure to make payment of any assessment within 60 days of the due date thereof shall cause the total amount of such Owner's Annual and any Individual Purpose Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board.

General provisions.

19. Payments received by the Association or the Association Attorneys shall be applied in the following order, as may be applicable:

- a. to attorneys' fees and legal costs and expenses;
- b. to the Association's other out-of-pocket costs, expenses and charges associated with the delinquency;
- c. to fines levied by the Association with regard to the delinquency or other violations of the Association's governing documents, regardless of when incurred;
- d. to late fees assessed by the Association;
- e. to interest levied to the account;
- f. to any special assessments levied; and
- g. to regular assessments.

20. Any payment of less than the outstanding balance that contains a writing that the Association Attorneys believe could be a restrictive endorsement or any other restriction on the receipt of the funds, or that is accompanied by any letter, note or other communication that could be considered a restrictive endorsement or any other restriction on the receipt of the funds may, at the discretion of the Association Attorneys, be returned.

21. If a check or other instrument tendered to the Association is returned or dishonored for any reason, the Association may charge a returned check fee of up to \$20 .00. Additionally or in the alternative, the Association may pursue all other remedies available at law that may be applicable, including the right to seek treble damages plus costs and attorneys' fees.

22. In the event of any action brought to collect delinquent assessments, alleging that the Association has failed to comply with the terms of the Association's governing documents shall not constitute a defense or entitle the Owner to a set-off of any assessments owed.

23. If a Court finds any portions of this collection policy unenforceable, the Court shall reform this policy to the least extent necessary to give effect to the intent of this collection policy. In such event all remaining portions of this collection policy shall remain in force and effect.



THE PELICAN POINTE HOMEOWNERS ASSOCIATION

B. Enforcement of Covenants and Rules – and the schedule of fines.

a. The Covenants empower the Board to enforce its policies and Rules and to assess fines for violations of the Covenants and Rules; to sue for damages; to sue for injunctive relief; to records a lien against a homeowner's unit and to foreclose it; to have vehicles and related equipment removed from the common areas; to seek any other legal or equitable remedy; and to recover its attorney fees and costs incurred in enforcing its rights. Tenants are subject to all of the Association's Covenants, Bylaws, and Rules, to the same extent as if they were homeowners. Homeowners, at all times, and under all circumstances, shall be responsible for their tenants' compliance or non-compliance with all of such Covenants Bylaws, and Rules.

b. Payment of fines. All fines shall be due and payable within twenty (20) days from the date when written notice of such fine is placed in the U.S. Mail addressed to the violator(s) and the homeowner(s) at the addresses on file with the Association, and shall be paid in the manner and at the place established by the Board for payment of monthly assessments under the Covenants. If any fine is not paid within that twenty (20) days, a one-time late charge in the amount of \$25.00 shall be assessed in addition to the fine.

c. Failure to pay. The homeowner(s) fined by the Association shall be personally, jointly and severally liable therefor. If the fine is not paid as specified in the preceding paragraph, and in addition to a late charge, the Association may commence legal action against such persons to collect such sums. In addition, the Association may cause a lien to be recorded against the unit of said homeowner(s), to be enforced and foreclosed in the same manner as liens for unpaid assessments, as set forth in the Covenants.

d. Fines. In addition to other remedies of the Association, the following fines may be imposed for violations of the Association's Covenants, Bylaws, or Rules:

- (i) For the first violation, a warning without a fine.
- (ii) For the second violation, a fine of \$50.00.
- (iii) For the third violation, a fine of \$100.00.
- (iv) For the fourth violation, a fine of \$200.00.
- (v) For the fifth violation, a fine of \$400.00.
- (vi) For subsequent violations, occurring within a twelve-month period from the activity comprising the first violation, a fine of \$500.00.
- (iv) Second and subsequent violations shall be deemed as such, even if such violation was different from the previous one(s).
- (v) All the foregoing sanctions are in addition to any towing charges, civil authority fines imposed, costs of maintenance, replacement or repair work necessitated as a direct or indirect result of the violations, and any other legal action that the Board deems necessary.



THE PELICAN POINTE HOMEOWNERS ASSOCIATION

e. Procedure. The Association's manager may recommend to the Board the assessment of all fines, without a hearing, unless the alleged violator requests a hearing in accordance with Article XI(C) below. Such recommendation shall follow the manager's own

observation of a violation, or the reported observations of a violation by two or more residents. Thereupon, the Board shall approve, disapprove, or modify the manager's recommendation. The identity of such resident-observers may remain anonymous, unless the hearing occurs (as set forth in sub-Rule C, below).

f. The right of the Board to impose fines shall not be its exclusive remedy (for example, vehicles in the common areas may be towed after notice of the proscribed parking violation is placed on the vehicle, in accordance with Rules regarding motor vehicles and parking).

C. Notice and hearing procedures.

The Board shall not impose a fine or other sanction upon, suspend voting rights of, or perform obligations on behalf of a homeowner for resident or a violation of the Covenants, Bylaws, or any Rules promulgated by the Association until the following procedure is followed, *if so requested by the alleged violator*:

a. Notice. The alleged violator shall be sent a written notice of a hearing to be held by the Board in executive session. The notice shall be served personally or by certified mail, return receipt requested. The notice shall contain:

- (i) the nature of the alleged violation, with reasonable specificity;
- (ii) the date, time and place of the hearing, which shall not be less than ten (10) days from the date of the notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses in his behalf; and
- (iv) the proposed sanction to be imposed.

b. Hearing. The hearing shall be held in executive session of the Board pursuant to this notice, affording the alleged violator and owner(s) a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. If the attempted service by certified mail has not provided a signed receipt for its delivery, the hearing shall nonetheless proceed, on the assumption that the addressee(s) failed or refused to claim the mail from the post office. Also, the notice requirement shall be deemed satisfied, as to a person so notified, if that person appears at the meeting. The most senior officer of the Association shall preside, taking evidence liberally from all witnesses and parties to the conflict. The minutes of the meeting shall contain a written statement of the results of the hearing, including factual findings and conclusions which are based upon the governing documents; and shall contain the sanction, if any, imposed. Such written statement shall be served upon the alleged violator(s) and upon the owner(s) in the same manner as service of said notice of the hearing.



THE PELICAN POINTE HOMEOWNERS ASSOCIATION

c. Enforcement. The imposed fine or other sanction (for violations not related to general or special assessments) may be enforced by the Association, at its sole discretion, by lawsuit or lien. The sanction or fine may also contain provision for

reimbursement of attorney fees, costs and expenses incurred by the Association in connection with these proceedings. None of such reimbursement shall be available to the Association unless the hearing resulted in the imposition of a fine or other sanction.

d. Exceptions. Notwithstanding anything hereinabove to the contrary, the foregoing notice-and-hearing provisions shall not be required prior to the Association's:

(i) causing a vehicle or related equipment to be towed or otherwise removed from the common areas, provided that the notice provisions of any Rule which pertains to unauthorized parking have been complied with; or

(ii) seeking relief, in court or otherwise, from any action, inaction, or activity of anyone in or on the common areas, or in or on the respondent's unit or limited common areas, which, if not promptly abated or enjoined, is reasonably likely to cause damage to persons at Pelican Pointe or property of homeowners or of the Association.

D. Dispute resolution.

When disputes arise between the Association and a homeowner:

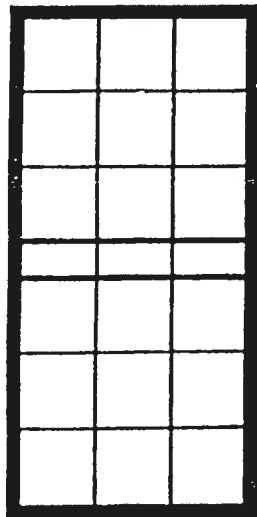
a. The Board shall be represented by its manager, one or more of its officers, or the Board *en banc*, in attempting to resolve the dispute quickly and amicably. The parties are encouraged not to react on an emotional level; rather, each party should be advised of the facts associated with the situation. A determination should be made, at the outset, whether the governing documents or Colorado law control any aspect of the matter.

b. Once the parties are fully informed, they should communicate with each other in an appropriate and amicable manner. If they are unable to reach a prompt resolution through such discussions, they may seek mediation assistance. Neither mediation, nor arbitration, nor any other alternate dispute resolution strategy shall be employed unless and until both (or all) parties agree thereto. The employment of, or resort to, any alternate dispute resolution procedure shall not be a precondition to the commencement and conduct of litigation by any party, or the filing of liens as allowed by law or by the Covenants or the Rules – although the cost, complexity, delay, and uncertainty inherent in court proceedings make litigation, generally, an inefficient means of resolving neighborhood disputes.

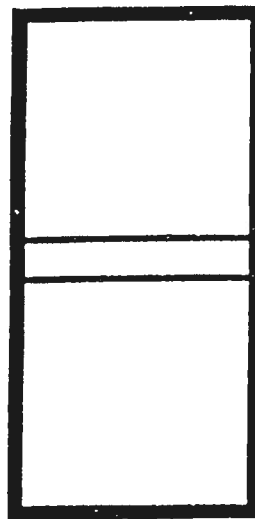


Approved Storm Doors for Pelican Pointe

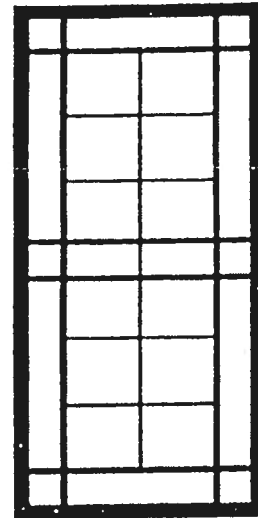
There are three (3) storm doors which have been approved by Design Review for Pelican Pointe, as per the Design Standards of the community; these are pictured below:



K126
American II



K120
Split Trim II



K211
Oxford

