# Rules and Regulations
# for
# Baseline Community Association, Inc.

BASELINE

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# Rules and Regulations
# For
# Baseline
# Community Association, Inc.

## ARTICLE I
## GENERAL PROVISIONS

### 1.1 Purpose.

The purpose of these Rules (these "**Rules**") is to provide for the regulation and management of Baseline Residential and to set forth certain guidelines relating to the ownership, use and operation of Sites located within Baseline Residential. Any term initially capitalized in these Rules but not defined in these Rules shall have the meaning given to such term in the Declaration of Covenants, Conditions and Restrictions for Baseline Residential, recorded in the official real property records of the City and County of Broomfield, Colorado on March 18, 2019 at Reception No. 2019002577, as amended from time to time (the "**Declaration**").

### 1.2 Authority.

These Rules are authorized to be made and promulgated by Baseline Community Association, acting through the Board, pursuant to the Declaration. The authority to create, adopt, enforce, amend and repeal Rules lies with the Board.

### 1.3 Input.

Prior to adopting any Rule, the Board has the right, but not the obligation, to solicit input regarding the Rule from the Delegates and/or Owners. Input may be gathered by distributing draft policies, forming a committee, conducting an informational meeting or any other method determined by the Board.

### 1.4 Adoption.

In making its determination whether to adopt a Rule the Board may evaluate the scope and importance of the issue, determine whether or not the Rule already exists, certify that the existing documents are inadequate to address the issue and evaluate the immediate impact and long-term implications of adopting the Rule. In addition, pursuant to Colorado law the Board may rely upon information, opinions, reports or statements of its professional advisors in making its determination of the need for the Rule.

When the Board, in the exercise of its discretion, determines that a Rule is appropriate, it shall adopt the Rule either at a meeting of the Board or by written consent in lieu of a meeting, or by any other method authorized by the Community Documents consistent with Colorado law.

### 1.5 Publication.

The Board shall publish new Rules adopted by the Board by such means as are determined from time to time by the Board, which may include email to Owners, Delegates and Alternates and web posting. The Rule shall become effective on the date specified by the Board; if the Board does not specify an effective date, then the Rule shall become effective 10 days after being published. The Rule shall be available for inspection and copying in accordance with Article II hereof.

### 1.6 Failure to Receive Rule.

Any Owner's failure to receive the Rule shall not be a defense to any attempt by Baseline Community Association to enforce the Rule or to levy fines, expenses, or attorneys' fees as a result of a violation of the Rule.

### 1.7 Amendment to Rules.

Baseline Community Association reserves the right to amend, repeal or revoke these Rules by resolution of the Board at any time in accordance with the terms and conditions of the Declaration and Bylaws.

### 1.8 Supplement to Law.

These Rules shall be in addition to and in supplement of the terms and provisions of the Community Documents and applicable law.

### 1.9 Deviations.

The Board may deviate from the procedures set forth in these Rules if in its sole discretion such deviation is reasonable under the circumstances.

### 1.10 Severability.

In the event a court of competent jurisdiction finds any provision of these Rules void or otherwise unenforceable, the other provisions shall remain in full effect.

## ARTICLE II
## COLLECTION OF ASSESSMENTS

### 2.1 Due Date.

Baseline Community Association may levy and collect Assessments in accordance with the Declaration. Assessments shall be due and payable when and as set forth in the Declaration. All Assessments not received by Baseline Community Association within fifteen (15) days after becoming due shall be considered past due and delinquent and subject to late charges and interest charges as set forth in Section 2.2.

## 2.2 Late Charges and Interest Charges.

If any Owner fails to pay any Assessment or any other amount due to Baseline Community Association within fifteen (15) days after its due date, Baseline Community Association may levy a late charge against such Owner (and such Owner's Site for which such Assessment or other amount due was not timely paid) in the amount of thirty-five dollars ($35.00). All past due Assessments and other past due amounts owed to Baseline Community Association (including late charges) shall receive interest at a rate of eighteen percent (18%) per annum from the date such Assessments or amounts became past due until they are paid. Baseline Community Association may charge any Owner a returned-check charge in the amount of twenty dollars ($20.00) for any check from such Owner to Baseline Community Association that is returned for insufficient funds. All late charges, returned-check charges and interest charges levied or accrued pursuant to this Section 2.2 shall be deemed Default Assessments and shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.

## 2.3 "Three Letter" Notice Procedure.

Once an account has become delinquent, Baseline Community Association may, but shall not be required to, use to the following "three letter" procedure:

(a) ***First Letter.*** Baseline Community Association may, but shall not be required to, deliver a "reminder letter" to a delinquent Owner informing the Owner of the unpaid balance on the account, the amount of accrued interest and any applicable late charges.

(b) ***Second Letter.*** Baseline Community Association may, but shall not be required to, deliver a "violation letter" to a delinquent Owner informing the Owner that if the appropriate payments are not received within a period specified by the Board, Baseline Community Association may Record a notice of Assessment Lien ("**Notice of Assessment Lien**") against the fee or leasehold interest of such Owner's Site subject to the Assessment or take any other appropriate action including, but not limited to, referral of the delinquent account to Baseline Community Association's attorneys or collection agency.

(c) ***Third Letter.*** Baseline Community Association may, but shall not be required to, deliver a "lien letter" to a delinquent Owner informing the Owner that a Notice of Assessment Lien will be Recorded against the fee or leasehold interest of such Owner's Site subject to the Assessment as of the date of the lien letter because the Owner has not responded to the previously delivered "violation letter".

All payments by a delinquent Owner accepted and applied by Baseline Community Association shall be time-stamped with the date of receipt and applied in the following order of priority: (i) costs of collection; (ii) late charges, return check charges and other fees; (iii) interest due on any delinquent Assessments; and (iv) the outstanding balance of any Assessments.

## 2.4 Liens.

If payment in full for any fines, late charges, penalties, interest and attorneys' fees, disbursements or costs of collection imposed against an Owner is not received by the due date specified by Baseline Community Association, Baseline Community Association shall be entitled to exercise all remedies available to it at law, including, without limitation, suspension of such Owner's voting rights in Baseline Community Association and the Recording of a Notice of Lien against the property of the delinquent Owner. The lien shall include fees, charges, late charges, attorneys' fees, fines and interest owed by the delinquent Owner. The Notice of Lien shall be duly signed by an Officer or agent of Baseline Community Association, and acknowledged, and shall be served upon the delinquent Owner by mail to the address of the Owner's Site or at such other address as Baseline Community Association may have in its records for the Owner. Such lien shall not be removed until the account has been paid in full. No Owner may sell or otherwise convey any interest in such Owner's Site until all Assessments and other charges on such Site which are due and payable as of the date of the conveyance are paid in full.

## 2.5 Referral of Delinquent Accounts to Third Parties.

Baseline Community Association may, but shall not be required to, assign delinquent accounts to one or more third parties for collection. Upon referral to a third party, such third party may take all appropriate action to collect the accounts referred so long as the entity sends the delinquent Owner a notice of delinquency specifying (i) the total amount due with an accounting of such amount; (ii) whether the opportunity to enter into a payment plan exists pursuant to C.R.S. § 38-33.3-316.3, and, if so, instructions for contacting the entity to enter into the payment plan; (iii) the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and (iv) that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law. The third party may collect the delinquency using all remedies available at law and in equity including foreclosing on the lien securing payment of such amounts as set forth in the Declaration.

## 2.6 Referral of Delinquent Accounts to Attorneys.

Baseline Community Association may, but shall not be required to, refer delinquent accounts to its attorneys for collection. After consultation with the Board, Baseline Community Association's attorneys shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Owner's property so long as the attorney sends the delinquent Owner a notice of delinquency specifying (i) the total amount due with an accounting of such amount; (ii) whether the opportunity to enter into a payment plan exists pursuant to C.R.S. § 38-33.3-316.3, and, if so, instructions for contacting the entity to enter into the payment plan; (iii) the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and (iv) that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner's delinquent account being

turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law. The attorney may collect the delinquency using all remedies available at law and in equity including foreclosing on the lien securing payment of such amounts as set forth in the Declaration.

**2.7 Attorneys' Fees on Delinquent Accounts.**

Baseline Community Association, pursuant to its right to recover legal costs of collection, shall be entitled to recover from a delinquent Owner Baseline Community Association's reasonable attorneys' fees and all other collection costs incurred in the collection of delinquent accounts. All reasonable attorneys' fees and other collection costs shall be due and payable immediately.

**2.8 Ongoing Evaluation.**

Nothing in this Article II shall require the Board to take specific actions at a specific time but the Board shall not take any action in less than the time stated herein for a particular action. The Board has the option and right to continue to evaluate each delinquency on a case by case basis.

## ARTICLE III
## RESERVES

**3.1 Purpose of the Reserves.**

In accordance with Section 6.14 of the Declaration, Baseline Community Association has the right to maintain reserve funds (collectively, the "**Reserves**"). The purpose of the Reserves shall be to undertake Capital Improvements and to pay costs and expenses related thereto.

**3.2 Investment of Funds in the Reserves.**

The Board shall invest funds, if any, held in the Reserves to generate revenue that will accrue to the Reserves pursuant to the following goals, criteria and policies:

(a) ***Safety of Principal.*** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital with the objective of mitigating credit risk and interest rate risk.

(b) ***Liquidity and Accessibility.*** Maturities should be structured to ensure availability of assets for projected expenditures.

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

(d) ***Diversification.*** Appropriate diversification should mitigate the effects of interest rate volatility upon the assets of the Reserves.

(e) ***Return.*** Funds should be invested to seek the highest level of return after giving reasonable weight to the preceding investment criteria.

**3.3 Limitation on Investments.**

Unless otherwise approved by the Board, all investments of funds held in the Reserves will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.

**3.4 Independent Professional Investment Assistance.**

The Board may hire a qualified investment counselor to assist in formulating a specific investment strategy.

**3.5 Review and Control.**

The Board, or a committee thereof (the "**Financial Committee**"), shall review the Reserves investments no less than annually to ensure that the funds are receiving competitive yields and are timed appropriately for the needs of the project and shall make prudent adjustments as needed.

**3.6 Reporting.**

On an annual basis, an investment report shall be prepared and submitted by the treasurer, the Financial Committee, if any, and/or any independent advisor selected by the Board or the Financial Committee, if any, to the Board in a timely manner, listing the investments of funds held in the Reserves and the current market valuation of the investments. The report shall include a summary of investment earnings during the prior fiscal year.

**3.7 Standard of Care.**

The Officers and Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Officer or Director reasonably believes to be in the best interests of Baseline Community Association in accordance with C.R.S. § 7-121-101.

**3.8 Reserve Study.**

Baseline Community Association shall conduct a reserve study as and when determined by the Board. The Board shall establish a plan for funding work recommended by the reserve study upon such recommendation with funds from the Assessments and other revenues. Such reserve study may be based on a physical and/or financial analysis as determined by the Board, and may be conducted internally or by an outside, third-party consultant as determined by the Board.

## ARTICLE IV
## PROPERTY USE RESTRICTIONS

**4.1 Applicability.**

Except as provided herein, the use restrictions set forth in this Article IV shall apply to all Sites; provided, however, the Board may adopt Rules regarding the subject matter of this Article IV that are applicable to any or all portions of the Property.

**4.2 Motorized Vehicles.**

No trucks, recreational vehicles, motor homes, motor coaches, campers, trailers, boats, boat trailers, or other motorized vehicles or trailers therefor, other than passenger automobiles or pickup or utility trucks with a capacity of one-half ton or less, shall be parked, stored or in any manner kept or placed on any portion of Baseline Residential except in an enclosed garage. This restriction however, will not be deemed to prohibit commercial and construction vehicles, in the ordinary course of business, from making deliveries or otherwise providing services to Baseline Residential or for Founder or the other Owners.

**4.3 Prohibited Vehicles.**

Except as otherwise required by Section 106.5 of CCIOA, commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers may not be kept on the Property, except in enclosed garages. Stored vehicles and vehicles which are inoperable or do not have current operating licenses shall not be permitted on the Property except within enclosed garages. A vehicle shall be considered "stored" if it is up on blocks or covered with a tarpaulin and remains on blocks or so covered for seven (7) consecutive days without the prior approval of the Board. Service, construction and delivery vehicles may be parked on the Property for such periods of lime as are reasonably necessary to provide services or to make deliveries to the Property. Any vehicle parked in violation the Rules may be towed at the direction of the Association and at the expense of the Owner of the affected Site or the owner of the vehicle.

**4.4 Signs.**

(a) Only one "For Sale," "For Rent," "Open," "Open House" or similar sign will be permitted to be displayed on the exterior or interior of any Site at a time. Any such sign shall not exceed 36" by 48" in size, and is to be professionally created, and may be two-sided.

(b) Notwithstanding anything to the contrary set forth in this Section 4.3 and/or the Declaration, but subject to the limitations of this Section 4.3(b), neither the Design Review Committee nor Baseline Community Association shall prohibit any Owner from displaying patriotic and political expressions in violation of Section 106.5 of CCIOA.

(i) An Owner or Owner's Guest may place an American flag on its Site without the prior consent of Baseline Community Association. No Person shall display any American flag that is larger than 48" in length without the prior consent of Baseline Community Association.

(ii) An Owner or Owner's Guest may place a military service flag bearing a star denoting the service of such Owner or Guest, or members of such Owner's or Guest's family, in the active or reserve military service of the United States during a time of war or armed conflict on the inside of any window or door of the Owner's Site. No such flag shall exceed 9" by 16" in size without the prior consent of Baseline Community Association.

(c) Political signs promoting or opposing a candidate for office or a ballot issue may be displayed on a Site not earlier than forty-five (45) days prior to the applicable election day and shall be removed within seven (7) days after such election. Not more than one sign per candidate, office or issue may be so displayed on a Site and no such sign shall exceed 36" by 48" in size.

**4.5 Construction Regulations.**

All Owners and contractors will comply with the portions of the Design Review Committee Rules regulating Construction Activities. Such rules may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors and Owner's representatives on Baseline Residential at any time; the conservation of landscape materials and fire protection. No temporary structures of any sort, including, without limitation, sheds, shacks, tents or trailers or other living unit shall be erected, placed or maintained on Baseline Residential except as authorized by the Design Review Committee in an area or lot specifically designated for such use by the Design Review Committee or as may be necessary and authorized during construction of buildings, structures or improvements.

**4.6 Utility Lines.**

No overhead utility lines, including lines for cable television, shall be permitted, except for temporary lines as required during construction and lines installed by or at the request of Founder.

**4.7 Satellite Dishes.**

Satellite dishes that are more than one meter in diameter shall not be permitted on the Property. Satellite dishes that are one meter or less in diameter shall be permitted within the Property subject to the restrictions contained within the Design Review Committee Rules.

**4.8 Antenna.**

No exterior antennas of any kind, including, without limitation, satellite dishes, shall be permitted except with the approval of the Association, which approval may be granted in blanket form by the Rules with respect to particular types of antennas or satellite dishes.

**4.9 Air-Conditioning Units.**

No window air-conditioning units or evaporative coolers shall be installed.

**4.10 Tents.**

Unless otherwise approved by the Board in writing, camping tents shall be permitted within the backyard of a Single-Family Site, on the condition that: (a) any such tent does not exceed eight (8) feet in height; (b) no more than such three (3) tents shall be assembled within any backyard at the same time; (c) no tent shall be assembled on any backyard for more than three (3) consecutive nights or more than seven (7) nights within any thirty (30)-day period. Unless otherwise approved by the Board in writing, a tent intended to accommodate functions such as weddings, parties or similar events shall be permitted on any Site, on the condition that no such tent is assembled on any Site for more than 48 hours or assembled on such Site for more than 72 hours during any thirty (30)-day period.

**4.11 Outside Storage.**

No personal property of any kind or type may be stored on any Site except inside a dwelling unit or other structure approved by the Design Review Committee. This prohibition shall not be interpreted to apply to normal and customary patio furniture and barbecue grills.

**4.12 Doors and Windows.**

No "burglar bars," steel or wrought iron bars or similar fixtures, whether designed for decorative, security or other purposes, shall be installed on the exterior of any windows or doors of any building.

**4.13 Animals and Pets.**

No livestock, poultry or other animals of any kind, including, without limitation, horses, cows and sheep, shall be raised, bred, boarded, kept or grazed on any portion of the Property, except that a reasonable number of bees, dogs, cats or other usual and common household pets, which are bona fide household pets, or any combination of the foregoing not exceeding a reasonable aggregate number, may be kept on a Site, subject to other provisions of these Rules and in accordance with applicable law. No pets shall be kept, bred or maintained on the Property for any commercial purpose. All dogs must be kept on-leash while in the Common Elements except for in any areas that may be designated from time to time by the Association as off-leash areas.

**4.14 Use of Fertilizers, Pesticides and Herbicides.**

No Owner shall use, or permit the use on such Owner's Site of, fertilizers, pesticides and herbicides in such a manner that overspray occurs onto adjacent Sites, in such a manner as to cause a nuisance to other Owners, or in such a manner as to cause such fertilizers, pesticides or herbicides to enter groundwater in any material amount.

### 4.15 Fencing.

Founder, homebuilders, and/or the special districts may construct entryways, fences, fence pillars or walls on the Common Elements or those portions the Property owned by Founder, such homebuilders and/or such districts. No other Owners shall construct, modify, replace, paint or obstruct any fence, fence pillars or walls except in accordance with the Community Documents. For purposes of this section, hedges shall be considered to be the same as fences and subject to the same restrictions. (The term "wall" as used in this section shall mean walls which are freestanding and intended to enclose the areas outside a structure.) Material for containment of any pets permitted by the Declaration may be added to perimeter fencing in accordance with the rules and regulations of the Design Review Committee.

### 4.16 Landscaping.

All landscaping shall be maintained in good condition.

### 4.17 Clotheslines.

Service areas and facilities for hanging, drying or airing clothing or fabrics shall be kept within an enclosed structure.

### 4.18 Artificial Vegetation.

No artificial vegetation, lawn ornaments or statues shall be permitted outside of any structure on any Site.

### 4.19 Lighting.

No light shall be emitted from any Site which is unreasonably bright or causes unreasonable glare or shines directly onto an adjacent Site. There shall be no exterior floodlights, searchlights, spotlights, sodium vapor lights or barnyard lights.

### 4.20 Energy Conservation Equipment.

Subject to the provisions of C.R.S. § 38-30-168, no solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure and approved by the Design Review Committee.

### 4.21 Variances.

The Board shall have the power to grant variances from the terms and conditions of this Article IV from time to time as it deems necessary. The granting of any such variance by the Board shall be personal to the recipient and shall not be deemed to have set a precedent for another or similar variance request.

## ARTICLE V
## VIOLATIONS; ENFORCEMENT POLICY AND PROCEDURES

**5.1 Reporting Violations.**

Complaints regarding alleged violations of any use restrictions contained in the Community Documents may be reported by an Owner or resident within the Community, a group of Owners or residents, Baseline Community Association's management company, if any, or Board member(s) by submission of a written complaint.

**5.2 Complaints.**

(a) Complaints by Owners or residents shall be in writing and submitted to the Board. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant (the "**Complainant**"), the alleged violator (the "**Violator**"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of Baseline Community Association.

(b) Complaints by a Director or the property manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by a Director or the property manager.

**5.3 Investigation.**

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

**5.4 First Violation – Initial Warning Letter.**

If a violation is found to exist, an initial warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have 14 days from the date of the letter to come into compliance. The foregoing procedure will not be used, however, and no initial warning letter shall be necessary in the event the violation is deemed by the Board to be a Repetitious Violation (as defined below). In such event, the procedure outlined in Section 5.13 below shall be followed.

**5.5 Continued Violation After Initial Warning Letter.**

If the alleged Violator does not come into compliance within 14 days of the initial warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second subsequent letter(s) shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to be exist, a fine may be imposed pursuant to these Rules. The letter(s) shall

further state the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 14 days of the date on the violation letter. The foregoing procedure will not be used, however, in the event the violation is determined by the Board to be a Repetitious Violation (as defined below). In such event, the procedure outlined in Section 5.13 below shall be followed.

**5.6 Notice of Hearing.**

If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve written notice of the hearing to all parties involved at least 14 days prior to the hearing date.

**5.7 Impartial Decision Maker.**

Pursuant to Colorado law, the alleged Violator has the right to be heard before an "Impartial Decision Maker." An Impartial Decision Maker is defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions and restrictions, including architectural requirements, and other rules and regulations of the Association and do not have any direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint as the Impartial Decision Maker the entire Board, specified member(s) of the Board, any other individual or group of individuals.

**5.8 Hearing.**

At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Impartial Decision Maker shall, within a reasonable time, not to exceed 10 days, render its written findings and decision, and impose a fine, if applicable. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

**5.9 Failure to Timely Request Hearing.**

If the alleged Violator fails to request a hearing within 14 days of any letter, or fails to appear at any hearing, the Impartial Decision Maker may make a decision with respect to the alleged violation based on the Complaint, results of investigation, and any other available

information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these Rules.

**5.10 Notification of Decision.**

The decision of the Impartial Decision Maker shall be in writing and provided to the Violator and Complainant within 10 days of the hearing, or if no hearing is requested, within ten (10) days of the final decision.

**5.11 Appeals.**

The Violator may file a written appeal to the Board of any adverse decision of the hearing committee or individual within 30 days of the decision.

**5.12 Fine Schedule.**

The following fine schedule has been adopted for all recurring covenant violations.

| | |
|---|---|
| First violation (after warning letter) | $50.00 |
| Second violation (of same covenant or restriction) | $100.00 |
| Third violation (of same covenant or restriction) | $150.00 |
| Fourth and subsequent violations | $200.00 |

Fourth and subsequent covenant violations may be turned over to Baseline Community Association's attorney to take appropriate legal action. All fines shall be due and payable within 30 days of the date the Owner is notified of the imposition of the fine. All fines and charges shall be considered an assessment and may be collected as set forth in the Declaration. Fines shall be in addition to all other remedies available to Baseline Community Association pursuant to the terms of the Declaration and Colorado law, including Baseline Community Association's right to collect attorney fees from the Owner incurred in connection with the violation, whether or not judicial action has been commenced.

**5.13 Repetitious Violations.**

"**Repetitious Violations**" are defined as a series of identical or substantially similar individual violations that occur repeatedly or continuously within a period of time to be determined in the discretion of the Board, with each individual violation separated by a period of no less than 1 day, nor more than 90 days, the result of which is a pattern of violations of the same covenant or restriction. In the event of such Repetitious Violation, in the discretion of the Board, each instance of noncompliance may constitute a separate violation, and the Board shall not be required to provide a period of 10 days from each violation for the alleged Violator to come into compliance. A warning letter shall be sent for the first violation in the series. After the warning letter, the Board may cause violation notices to be sent for each violation in the series stating the amount of the fine to be imposed (pursuant to the Fine Schedule in Section 5.12 above), and giving notice and an opportunity for a hearing. The Board shall individually consider each violation for which a hearing is requested, but is permitted to combine any and all hearings requested for Repetitious Violations on one date.

**5.14 Waiver of Fines.**

The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Community Documents.

**5.15 Other Enforcement Means.**

This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to Baseline Community Association through its Community Documents and Colorado law. The use of this process does not preclude Baseline Community Association from using any other enforcement means.

**5.16 Payment Plan.**

Baseline Community Association shall make a good-faith effort to coordinate with an Owner that has delinquent Assessments to set up a payment plan with the Owner to the extent required by C.R.S. § 38-33.3-316.3.

## ARTICLE VI
## CONFLICTS

**6.1 Conflicting Interest Transactions**

(a) ***Definition.*** A conflicting interest transaction is one involving a contract, transaction, or other financial relationship between Baseline Community Association and a Director, or between Baseline Community Association and a party related to a Director, or between Baseline Community Association and an entity in which a Director or a party related to a Director is a shareholder, partner, member, manager, director or officer or otherwise has a financial interest.

(b) ***When a Conflict Exists***. Prior to the Board's discussion or vote on a conflicting interest transaction, the conflicted Director shall disclose the circumstances and nature of the conflict in a Board meeting that is open to the Owners, in open session (not in an executive session). If the Board determines a conflict exists, the conflicted Director must recuse himself or herself from the vote, but not the discussion, of the conflicting interest transaction, in accordance with Section 6.1(c), below.

(c) ***Authorized Conflicting Interest Transactions.*** No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an Owner or by or in the right of Baseline Community Association, solely because the conflicting interest transaction involves a Director or a party related to a Director or an entity in which a Director or a party related to a Director is a shareholder, partner, member, manager, director or officer or otherwise has a financial interest or solely because the Director is present at or participates in the meeting of Baseline Community Association's Board or of the committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if:

(i) The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors may be less than a quorum,

(ii) The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Owners entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Owners entitled to vote thereon, or

(iii) The conflicting interest transaction is fair as to Baseline Community Association, as determined by a majority of disinterested Directors or a majority of the Owners entitled to vote thereon.

(d) ***Establishing a Quorum.*** Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

(e) ***Party Related to a Director.*** For purposes of this Article VI, a "**party related to a Director**" shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, 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 shareholder, partner, member, manager, director or officer or otherwise has a financial interest.

(f) ***Board Review***. The Board shall review the policies established under this Section 6.1 bi-annually.

**6.2 Loans.**

(a) ***No Loans to Directors or Officers.*** No loans shall be made by Baseline Community Association to any of its Directors or Officers. Any Director or Officer who assents to or participates in the making of any such loan shall be liable to Baseline Community Association for the amount of such loan until the repayment thereof.

(b) ***Definition of Officer.*** For the purposes of this Article VI, an "**Officer**" shall mean any person designated as an Officer of Baseline Community Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

[End of Rules]

## CERTIFICATION

We the undersigned do hereby certify:

That we are the duly elected and acting President and Secretary of Baseline Community Association, Inc. (the **"Baseline Community Association"**); and

That the foregoing Rules and Regulations were duly adopted by resolution of Baseline Community Association's board of directors as the rules and regulations for Baseline Community Association on the ~~25th day~~ 30th day of April, 2019.

IN WITNESS WHEREOF, we have hereunto subscribed our names on the dates set forth below.

Name: Kim Perry
Title: President
Date: April 30, 2019

Name: Jim Niemczyk
Title: Secretary
Date: April 30, 2019