

**ASPEN, MOUNTAIN VIEW HOMEOWNERS' ASSOCIATION  
GOVERNANCE POLICIES**

(UPDATED AND EFFECTIVE 11-22-22)

## TABLE OF CONTENTS

<b>I. ADOPTION AND AMENDMENT PROCEDURE .....</b>	<b>1</b>
A. DEFINITIONS .....	1
<b>II. COLLECTION POLICY AND PROCEDURE.....</b>	<b>1</b>
A. DUE DATES, LATE CHARGES, INTEREST, AND SUSPENSION OF RIGHTS.....	1
B. RETURN CHECK CHARGES .....	2
C. ATTORNEY FEES.....	2
D. APPLICATION OF PAYMENTS .....	2
E. COLLECTION NOTICES.....	2
F. PAYMENT PLANS.....	3
G. NOTICES: USE OF CERTIFIED MAIL/REGULAR MAIL.....	3
H. REFERRAL OF DELINQUENT ACCOUNTS TO ATTORNEYS .....	3
I. JUDICIAL FORECLOSURE .....	3
J. CERTIFICATE OF STATUS OF ASSESSMENT/ESTOPPEL LETTER .....	4
K. WAIVERS.....	4
<b>III. CONDUCT OF MEETINGS POLICY AND PROCEDURE.....</b>	<b>4</b>
A. ANNUAL MEETINGS/SPECIAL MEMBER MEETINGS .....	4
B. BOARD MEETINGS.....	5
<b>IV. CONFLICT OF INTEREST POLICY .....</b>	<b>6</b>
A. DEFINITIONS .....	6
B. DISCLOSURE.....	6
C. PARTICIPATION AND VOTING .....	6
D. QUORUM .....	6
E. APPROVAL OF TRANSACTION .....	6
F. STANDARD OF REVIEW .....	6
G. LOANS.....	7
<b>V. COVENANT AND RULE ENFORCEMENT POLICIES AND PROCEDURES .....</b>	<b>7</b>
A. ENFORCEMENT PROCEDURE .....	7
B. FINE SCHEDULE .....	8
C. ADDITIONAL ENFORCEMENT RIGHTS .....	9
D. FAILURE TO ENFORCE .....	9
<b>VI. DISPUTE RESOLUTION POLICIES AND PROCEDURES.....</b>	<b>9</b>
A. DISPUTES BETWEEN ASSOCIATION AND OWNERS REGARDING COLLECTION AND COVENANT AND RULE ENFORCEMENT MATTERS .....	9
B. DISPUTES BETWEEN RESIDENTS.....	9
C. REQUIRED DISPUTE RESOLUTION PROCEDURE.....	9
D. DISCRETIONARY DISPUTE RESOLUTION PROCEDURES .....	9
<b>VII. INVESTMENT OF RESERVES POLICY.....</b>	<b>10</b>
A. STANDARD OF CARE .....	10
B. INVESTMENT VEHICLES .....	10
C. INVESTMENT GOALS.....	10
D. CRITERIA.....	11
E. REVIEW, AUTHORIZATION AND RECORDS.....	11
F. INSURANCE.....	11
<b>VIII. RECORDS INSPECTION POLICY AND PROCEDURE.....</b>	<b>11</b>
A. RECORDS TO BE MAINTAINED .....	11

B.	ANNUAL DISCLOSURES.....	12
C.	SOLE RECORDS SUBJECT TO INSPECTION .....	13
D.	AVAILABILITY OF RECORDS.....	13
E.	COMMERCIAL USES.....	13
F.	MEMBERSHIP LIST.....	13
G.	EXCLUSIONS.....	13
H.	INSPECTION .....	14
I.	CREATION OF RECORDS.....	14
J.	REMEDIES .....	14
<b>IX.</b>	<b>RESERVE STUDY AND FUNDING POLICY.....</b>	<b>15</b>
A.	RESERVE STUDY POLICY.....	15
B.	RESERVE FUNDING POLICY .....	15

**ASPEN, MOUNTAIN VIEW HOMEOWNERS’ ASSOCIATION  
GOVERNANCE POLICIES**

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors hereby adopts the following policies and procedures.

**I. ADOPTION AND AMENDMENT PROCEDURE**

A. Definitions.

1. “Governing Documents” refers to the Declaration, Articles of Incorporation, Bylaws, Policies, Procedures, Rules, Regulations, and other governing documents of the Association.
2. “Policy” means a course or principle of action adopted to guide the Board of Directors.
3. “Procedure” means an established or official way of conducting a course of action.
4. “Rule” means a regulation or requirement governing conduct or behavior.

B. Policies and procedures govern the activities of the Board of Directors in the operation of the Association.

C. Rules govern the use of property within the community and the behavior of residents and/or their guests while in the community.

D. The Board of Directors shall have the authority to adopt policies, procedures, and rules to the extent they do not conflict with the Declaration, Articles of Incorporation, and Bylaws of the Association.

E. The Board shall have authority to adopt and amend those policies and procedures which govern Association operation. Such policies and procedures shall be adopted at an open Board meeting and documented in the minutes or in a formal resolution.

F. The Board may adopt rules and regulations. Such rules and regulations shall be adopted at an open Board meeting and documented in the minutes or in a formal resolution. Rules, once

adopted, shall be sent to all Owners and shall be effective upon distribution through the Association's newsletter or any other means.

## II. COLLECTION POLICY AND PROCEDURE

1. Prompt Payment. Prompt payment of assessments, fines, and fees by all Members is critical to the financial health of the Association. It is in the best interest of the Association to adopt these policies and procedures, and, in accordance herewith, refer delinquent accounts promptly to its attorney for collection so as to minimize the Association's loss of revenue.

2. Member Contact Information: To facilitate collection efforts of the Association, each Member must provide the Association, in writing, with the following information (collectively, "Member Contact Information"):

- a. The Member's preferred mailing address;
- b. The Member's preferred email address;
- c. The Member's preferred cell phone number;
- d. The Member's preferred language for notices and other correspondence from the Association; and
- e. If desired, a designated contact person to be contacted on the Member's behalf.

3. Association Records: The Association shall maintain records of the Member Contact Information provided by a Member, as well as a record of all contacts between the Association and the Member in regard to a Member's delinquent account, including the type of communication, the date of the communication, and the time of the communication.

4. Quarterly Billing and Due Dates: The quarterly installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first (1st) day of each quarter, namely January 1, April 1, July 1, and October 1. Assessments, fines, fees, or other charges not paid in full to the Association within sixty (60) days of the due date shall be considered past due and delinquent, and the remaining balance of the annual assessment may be accelerated.

5. Collection Process: Upon delinquency, the Association shall proceed as follows:

a. *Notice of Delinquency:* After a quarterly installment of the annual assessment, fine, fee, or other amount due to the Association becomes 90 days past due, the Association shall provide a notice of delinquency ("Notice of Delinquency") to the Member to be (1) sent by certified mail, return receipt requested; (2) physically posted at the Member's address; and (3) either sent by first-class mail, text message to the Member's cell phone number of record, or emailed to the Member's email address of record. The Notice of Delinquency must be made by the Association, or any community association manager or property management company designated by the Association. The notice must be sent in English, and the language that the Member has previously indicated a preference for correspondence and notices. The notice must include:

i. A statement specifying whether the delinquency concerns unpaid assessments, unpaid fines, fees, charges, or a combination of the foregoing and, if the notice concerns unpaid assessments, the notice must notify the Member unpaid assessments may lead to foreclosure;

ii. The total amount due to the Association along with an accounting of how the total amount was determined;

- iii. Advise the Member whether they are qualified to enter into a payment plan, the details of the payment plan outlined in Section 10 of this Policy, and provide instructions for contacting the Association to enter into the payment plan;
- iv. The name and contact information for an individual the Member may contact to request a copy of the Member's ledger in order to verify the amount of the debt owed to the Association;
- v. A statement indicating that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Member's delinquent account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Member, the filing and foreclosure of a lien against the Member's property (if the unpaid amounts include assessments) or other remedies available under Colorado law, including revoking the owners right to vote, right to use common amenities, and the termination of services;
- vi. Notice of the late fees and interest that may accrue;
- vii. A description of the steps the Association will take before legal action may be taken against the Member, including, for unpaid fines, any cure processes that applies under the Association's Enforcement Policy; and
- viii. A description of what legal action the Association may take against the Member, including the types of matters that may be taken to small claims court, including injunctive matters for which the Association seeks an order requiring the unit Member to comply with the Association's governing documents.

b. *Filing of Lien:* If (a) 120 days has elapsed since the due date and the Association delivered the Notice of Delinquency to a Member in compliance with Section 5(a); (b) the Member has not entered into a payment plan with the Association for amounts owed; and (c) the Member's account remains delinquent, the Association may file a lien on the Member's Lot or Unit. The Association shall provide a Member with notice within a reasonable time after lien has been filed.

c. *Referral to Collection Agency or Attorney:* If (a) 120 days has elapsed since the due date and the Association delivered the Notice of Delinquency to a Member in compliance with Section 5(a); (b) the Member has not entered into a payment plan with the Association for amounts owed; and (c) the Member's account remains delinquent, the Board of Directors may refer the Member's delinquent account to an attorney and/or collection agency. In addition, if a Member has defaulted on an agreed upon payment plan, the Association may refer the matter to an attorney and/or collection agency. However, the Association may only refer a delinquent account or payment plan in default to an attorney and/or collection agency if a majority of the Board votes to refer the matter in a recorded vote at an executive or open meeting. Upon referral to the Association's attorney and/or collection agency, the attorney and/or collection agency shall consult with the Association to determine what collection procedures are appropriate. After an account has been referred to an attorney and/or collection agency, the account shall remain with the attorney and/or collection agency until the account is settled, has a zero balance, or is written off.

6. Schedule of Notices: The Association shall use the following table for delinquent accounts:

Due Date for Assessments (date payment is due)	1 <sup>st</sup> day of each quarter (January 1, April 1, July 1, October 1)
Past Due Date (date payment is late if not received on or before that date)	60 days after Due Date
First Notice (Notice of Delinquency)	Any time after 90 days past the Due Date

File Lien	Any time after 120 days past the Due Date
Delinquent account turned over to the Association's attorney.	Any time after 120 days past the Due Date

7. Monthly Notice For Delinquent Accounts and Statement of Account.

On a monthly basis, the Association shall send, by first-class mail and email to any Member with delinquent account, an itemized list of all assessments, fines, fees, and other charges due to the Association. At any time, a Member may request a statement of account (*i.e.*, a ledger) detailing any amounts the Member owes the Association. The Association shall not assess a fee or other charge for providing a statement of account to a Member.

8. Late Fees: The Association shall impose, on a quarterly basis, a

twenty-five dollar (\$25.00) late fee for any assessment, fine, fee, or other amount past due. The late charge shall be a "common expense" for each delinquent Member. Additionally, and notwithstanding Article 9, Paragraph 27 of the Master Declaration of Protective Covenants, a Member's assessment, fines, or fees balance held by the Association is subject to an eight percent (8%) per annum interest fee on the amount owed for each Member who fails to timely pay the balance. The late fees shall be the personal obligation of the Member(s) for which such assessment or installment is unpaid. All late charges shall be due and payable immediately in the manner provided in the Declaration (and as set forth herein) for payment of assessments, fines, fees, or other amounts owed to the Association.

9. Suspension of Rights. An Owner's rights to use pool area facilities may

be suspended without notice if an assessment or other charge is not paid within 90 days of the due date.

10. Returned Check Charges: In addition to any and all charges imposed

under the Declaration, Articles of Incorporation, Bylaws, the Rules and Regulations of the Association, policies, or procedures, a return check fee, not to exceed the actual charges incurred by the Association levied by the party retuning the check, or \$20.00, whichever is greater, shall be assessed on an Member in the event any check or other instrument attributable to or payable for the benefit of such Member is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for collection for three times the face amount of the check, but not less than \$100.00. Returned check charges shall be the obligation of the Member(s) for which payment was tendered to the Association for payment of sums due under the Association's governing documents. If two or more of a Member's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Member's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees incurred by a Member. Any returned check shall cause an account to be past due if full payment of the quarterly installment of the annual assessment, fine, or fee is delinquent.

11. Payment Plan: If qualified to do so, a Member who becomes delinquent

in payment of assessments, fines, fees or other amounts due to the Association, may enter into a payment plan with the Association, over a period of eighteen (18) months. Under the payment plan, the Member may choose the amount to be paid each month, so long as each payment is at least twenty-five dollars (\$25.00). The Member may elect to pay the remaining balance due at any time during the payment plan. Such payment plan shall be offered to each Member prior to the Association referring any account to an attorney or collection agency. The Member will be deemed to default on the payment plan if the Member fails (a) to pay three (3) or more of the agreed upon installments within fifteen (15) days after the monthly installments were due or (b)

to remain current with regular assessments as they come due during the pendency of the payment plan. In the event that the Member defaults on the payment plan, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action. Each Member is qualified to enter a payment plan, unless:

- a. The Member does not occupy the property and acquired title to the property by foreclosure of a security interest encumbering the property or foreclosure of the Association's lien; or
- b. The Member has previously entered into a payment plan with the Association.

12. Recovery of Attorney Fees and Collection Costs: As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Member; provided, however, that such fees shall only be recoverable after the Association has provided a Notice of Delinquency in accordance with this Policy. The reasonable attorney fees and collections costs incurred by the Association shall be due and payable immediately when incurred, upon demand.

13. Application of Payments: All sums collected on a delinquent account shall be remitted to the Association's treasurer, manager, equivalent, or attorney (as directed to Member) until the account is brought current. All payments received on account of any Member or the Member's property, shall be applied first to the assessments owed and any remaining amount to the fines, fees or other charges owed.

14. Legal Remedies. The Association may pursue any and all legal remedies available to the Association by Colorado law or the Association's governing documents for collection on any delinquent account, including, without limitation: (a) recording a lien against the delinquent Member's property; (b) filing a suit against the delinquent Member for a money judgment; (c) instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors; (d) filing the necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; (e) filing a court action seeking appointment of a receiver; and (f) garnishment and attachment. Until a Member has paid delinquent accounts in full, the Association may suspend the Member's right to vote and right to use the Association's recreation facilities. Any party seeking to enforce its rights under the Declaration, Bylaws, Covenants, or governing documents of the Association pursuant to this Collections Policy for disputes regarding assessments, fines or fees owed to the Association for seven thousand five hundred dollars (\$7,500.00) or less, exclusive of interest and costs, may file a claim in small claims court.

15. Judicial Foreclosures. The Association may choose to foreclose on its lien in lieu of or in addition to suing a Member for a money judgment, except where the debt securing the lien consists only of fines or fees the Association has imposed on the Member and/or collection costs or attorney fees incurred by the Association that are only associated with assessed fines. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by a vote by the Board of Directors. Upon foreclosure, any Board member, employee of the Association's management company, or employee of a law firm representing the Association, or any immediate family member of the foregoing, shall not be permitted to purchase the foreclosed unit. The Association shall not commence a foreclosure proceeding for delinquent assessments unless:

- a. The Association has followed all notice requirements provided in this policy;
- b. The Association has made a good faith effort, by written offer, to coordinate with the Member for a payment plan; and
- c. Within thirty (30) days after providing offer of payment plan, the Member has either (a) declined the plan; (b) accepted the plan and failed to pay at least three (3) monthly installments within fifteen (15) days of the due date

16. Waivers. In accordance with Colorado law, the Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association shall determine appropriate under the particular circumstances. Any such accommodation shall be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with this Collection Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Collection Policy.

17. Mailing Address. Payment of assessments, fines, fees, and other charges shall be made to:

Aspen, Mountain View Homeowner's Association  
c/o Silver Mountain Properties, Inc  
326 Why 133, Suite 290, Carbondale, CO 81623

### **III. CONDUCT OF MEETINGS POLICY AND PROCEDURE**

#### **A. Annual Meetings/Special Member Meetings.**

1. Notice of a Membership meeting shall be mailed to the Member's registered address by first class mail or hand delivered not less than 10 or more than 50 days prior to the meeting, except if the meeting is to vote on the budget, in which case the notice and budget shall be delivered not less than 30 or more than 60 days prior to the meeting. If the notice is mailed, it shall be deemed received three days after deposit in the U.S. mail addressed to the registered mailing address as it appears on the records of the Association. If feasible, physical notice of member meetings shall be posted on the property. If a Member requests notice by e-mail only and provides an e-mail address, notice will be provided by e-mail.

2. Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. Voting rights for members not in good standing are suspended and such Members shall not be given a ballot. If an election or vote is to be held, the Member will be given the appropriate number of ballots.

a. Secret ballots are required for the following: any ballot for election of a contested position on the Board of Directors; and any ballot for other matters if so requested by at least 20% of the Members present in person or by proxy at the meeting.

b. If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

#### **3. Conduct of Meetings.**

a. The President of the Board of Directors, or other person directed by the Board, will call the meeting to order and conduct the meeting. The meeting shall proceed in the order set forth in the agenda.



b. Each Member who wishes to speak will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the chair's discretion.

c. Members must maintain decorum and refrain from addressing the Membership or Board until recognized by the chair. Upon being recognized, the Member must state his/her name and address.

d. Members may not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. Members may not engage in personal attacks on either Board Members or other Association Members. All comments and questions are to be delivered in a businesslike manner and comments shall be confined to matters germane to the agenda item being discussed. No Member may use abusive, rude, threatening, vulgar or crude language. To facilitate free and open discussion Members shall not audio or video record meetings.

e. Members must obey all orders made by the meeting chair, including an order to step down. Any Member who refuses to follow the above rules will be asked to leave the meeting.

f. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or a recommendation for proceeding.

4. Ballots shall be counted by a neutral third party or by a committee of volunteers who shall be Members selected or appointed at an open meeting by the President of the Board or other person presiding during that portion of the meeting. The committee of volunteers shall not be Board members and, in case of a contested election for a Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without identifying information of Members participating in such vote.

5. Meetings are not required to be held in accordance with Robert's Rules of Order.

#### B. Board Meetings.

1. Notice of Board meetings shall be given to directors at least three days prior to the meeting. Notice shall be given personally, by mail, telephone or telegraph.

2. All Board meetings shall be open to attendance by Members of the Association, or their representatives, provided that the Board may go into executive session for any purpose allowed by law. Members may be excluded from executive session. Prior to going into executive session, the chair of the meeting shall announce the purpose for the executive session.

3. The meeting agenda shall be made reasonably available for examination by Members of the Association or their designated representatives.

4. Except as provided in Paragraph 5 below regarding a Member's opportunity to comment prior to a Board vote, Members who attend a Board meeting may not participate in deliberation or discussion during this portion of the Board meeting unless expressly authorized by a vote of the majority of a quorum of the Board.

5. After a motion on an agenda item by a director and Board discussion on the motion, but prior to a vote on the motion, there shall be a Members' forum up to five minutes. The chair shall request that any Members who desire to speak in favor of the motion and Members who desire to speak in opposition to the motion identify themselves and the Members may designate one person to represent each position. If the Members cannot agree on a spokesperson, the chair may select one person from those who desire to speak in favor of the motion and one person from those who desire to speak in opposition to the motion. Each Member shall have two minutes to speak. Any comments shall be made in accordance with the rules for membership meetings. The chair, in his/her discretion shall have the option to extend the Members' forum after agenda items and/or permit additional Members to speak.

6. Any director may make a motion. All motions shall be recorded in the minutes. If any director requests his/her vote in favor or against or his/her abstention be recorded in the minutes, the minutes shall so reflect.

7. Board meetings may be conducted by conference call, provided that all participants can hear each other. Board meetings are not required to be held in accordance with Robert's Rules of Order.

#### **IV. CONFLICT OF INTEREST POLICY**

##### **A. Definitions.**

1. "Conflicting interest transaction" means a contract, transaction or other financial relationship between: (a) the Association and a director, or (b) between the Association and a party related to a director, or (c) between the Association and an entity in which a director of the Association is a director or officer.

2. "Party related to a director" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.

3. "Officer," for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, an attorney or accountant employed by the Board.

B. Disclosure. The director shall disclose the conflicting interest in the proposed transaction in an open meeting prior to the discussion and vote. Such disclosure shall be reflected in the minutes of the meeting or other written form.

C. Participation and Voting. The director shall not take part in the discussion and shall leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the director does not vote.

D. Quorum. The interested director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.

E. Approval of Transaction. The contract, Board decision or other Board action must be approved by a majority of the disinterested Board members who are voting. No contract, Board decision or other Board action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable to and/or in the best interests of the Association.

F. Standard of Review. Notwithstanding anything to the contrary herein or in the Association's conflict of interest policy and in accordance with the Colorado Revised Nonprofit Corporations Act, no conflicting interest transaction shall be set aside solely because an interested director is present at, participates in or votes at a Board or committee meeting that authorizes, approves or ratifies the conflicting interest transaction if:

1. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board of Directors 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; or

2. the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote; or the conflicting interest transaction is fair to the Association.

G. Loans. No loans shall be made by the Association to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment of the loan.

## V. COVENANT AND RULE ENFORCEMENT POLICIES AND PROCEDURES

A. Enforcement Procedure. The Board shall not impose fines unless and until the Association has sent or delivered written notice to the Owner as provided below.

1. Power. The Board shall have the power and duty to hear and make decisions regarding purported violations of the Governing Documents and written complaints filed with the Board pursuant to these Policies and Procedures. The Board may determine enforcement action on a case-by-case basis and take other actions as it may deem necessary and appropriate to assure compliance with the Governing Documents and to create a safe and harmonious living environment. These enforcement provisions may be in addition to other specific provisions outlined in the Governing Documents. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control.

2. Complaint. Any Owner within the community may send the Association a formal, written complaint via either electronic mail or regular mail of a covenant or rule violation, with as much information as is known. Complaints may also be initiated by any member of the Board of Directors. Complaints that cannot be independently verified by a Board member must be in writing. The Board shall have no obligation to consider oral complaints or anonymous complaints. The Board shall have the authority to determine whether a written complaint is justified, and whether the violation threatens public safety or health, before continuing with the Notice and Hearing Procedure.

3. Violations Threatening Public Safety or Health. Upon conclusion of the investigation, where the Board has reasonably determined that the violation threatens public safety or health, the Board will proceed as follows:

a. Notice. The Board shall deliver written notice of the violation to the Owner (Notice of Violation). The Notice of Violation must be sent in English and the language that the Owner has previously indicated a preference for correspondence and notices. The Notice of Violation must include the following:

- i. Date and time of the violation;
- ii. Description of the violation;
- iii. References to portions of the Governing Documents that the Owner violated or is in violation of;

- iv. That the board has determined the violation threatens public safety or health;
- v. That the Owner has seventy-two (72) hours to cure the violation, or the Association may fine the Owner;
- vi. The action(s) required to cure the violation;
- vii. The fines to be imposed if the violation is not remedied within the cure period, including the interval at which such fines may be assessed if the violation is continuing in nature; and
- viii. As further detailed in Section 5, an explanation of the Owner's right to request a hearing, and the timeline for the hearing process described in this policy.

b. Inspection and Cure. The Owner may notify the Association of its cure and provide visual evidence of the cure. If the violation has been cured and the Association confirms the cure, the violation shall be deemed cured on the date notice was sent by the Owner. If the Owner notified the Association of its cure but failed to provide visual evidence or if the Association reasonably doubts the veracity of the visual evidence provided, the Association shall inspect the property as soon as practicable to determine whether the violation has been cured. If the Association does not receive notice that the Owner cured the violation, the Association shall inspect the property within seven (7) days of the expiration of the cure period to determine whether the violation has been cured.

c. Fines. If the Owner has not cured the violation within seventy-two (72) hours, the Association may impose fines upon the Owner in accordance with the Fine Schedule listed below.

d. Legal Action. In addition to imposing fines, if the Owner has not cured the violation within seventy-two (72) hours, the Association may take legal action against the Owner for the violation, including, without limitation seeking an injunction ordering compliance, prohibiting future occurrences of the violation, for damages, and for any other appropriate relief. Such legal action can be in addition to any hearing or associated hearing procedures proscribed under this Policy.

e. Notice After Cure. Once the violation has been cured, the Association shall provide written notice to the Owner of the outstanding fine balance for the violation, and that no further fines will be assessed for the violation.

4. Violations Not Threatening Public Safety or Health. Upon conclusion of the investigation, where the Board has determined that the violation does not threaten public health or safety, the Board will proceed as follows:

a. Notice: The Board shall deliver a Notice of Violation to the Owner. The Notice of Violation must be sent in English and the language that the Owner has previously indicated a preference for correspondence and notices. The Notice of Violation must include the following:

- i. Date and time of the violation;
- ii. Description of the violation;
- iii. References to portions of the Governing Documents that the Owner violated or is in violation of;
- iv. The action(s) required to cure the violation;
- v. That the Owner has thirty (30) days to cure the violation, or the Association may fine the Owner;
- vi. The fines to be imposed if the violation is not remedied within the cure period, including the interval at which such fines may be assessed if the violation is continuing in nature; and

vii. As further detailed in Section 5, an explanation of the Owner's right to request a hearing, and the timeline for the hearing process described in this policy.

b. Fines. If the Owner has not cured the violation with thirty (30) days, the Association may impose fines upon the Owner in accordance with the Fine Schedule listed below. The total amount of fines imposed for each violation shall not exceed five hundred dollars (\$500.00).

c. Second Cure Period. If the Owner has not cured the violation within thirty (30) days, the Association shall grant the Owner a second thirty (30) day period before initiating any legal action against the Owner. The Association may impose fines upon the Owner during the second cure period, as described in the preceding paragraph, and institute collection procedures in accordance with the Association's Collection Policy.

d. Inspection and Cure. After a notice of violation has been delivered to an Owner, the Owner may notify the Association of its cure and provide visual evidence of the cure. If the violation has been cured and the Association confirms the cure, the violation shall be deemed cured on the date notice was sent by the Owner. If the Owner notified the Association of its cure but failed to provide visual evidence or if the Association reasonably doubts the veracity of the visual evidence provided, the Association shall inspect the property as soon as practicable to determine whether the violation has been cured. If the Association does not receive notice that the Owner cured the violation, the Association shall inspect the property within seven (7) days of the expiration of the cure period to determine whether the violation has been cured.

e. Legal Action. In addition to imposing fines, if the Owner has not cured the violation by the expiration of the second thirty (30) day cure period, the Association may take legal action against the Owner for an injunction ordering compliance, prohibiting future occurrences of the violation, for damages, and for any other appropriate relief, but may not foreclose on any assessment lien solely for fines assessed against the Owner. Such legal action can be in addition to any hearing or associated hearing procedures proscribed under this Policy.

f. Notice After Cure. Once the violation has been cured, the Association shall provide written notice to the Owner of the outstanding fine balance for the violation, and that no further fines will be assessed for the violation.

5. Response to Notice of Violation. A request for response in substantially the following form shall be served upon the alleged violating Owner (hereinafter referred to as Respondent) at the time of service of the Notice of Violation. Additional information may be included at the discretion of the Board.

#### **Request for Response**

"You have the opportunity to be heard, orally or in writing, before any action to be taken by the Board of Directors or a tribunal appointed by the Board of Directors. To be heard, you must make a written request for a hearing. The request or the response must be filed with the Board of Directors or its designee not later than ten (10) days after being served with the notice, if the violation is not one which the Board has determined threatens public health and safety. The request or the response must be filed with the Board of Directors or its designee not later than seventy-two (72) hours after being served with the Notice of Violation, if the violation is one which the Board has determined threatens public health and safety. Your request or response must respond to the charges set forth in the Complaint. If you fail to file a request for hearing or a response within the time specified, the Board of Directors may proceed with or without a hearing, at its discretion. The Board of Directors may interpret your failure to request a hearing or respond constitutes a no-contest plea to the Notice of Violation."

6. Hearing. If the Respondent files a written request for hearing, the Board shall set the matter for hearing after reasonable efforts to coordinate a convenient date and time with the Respondent, which may be the next regularly scheduled meeting of the Board, but in no event sooner than fifteen (15) days after mailing a Notice of Hearing outlined below, unless the violation is one which the Board has determined threatens public health and safety. Each hearing shall be held at the scheduled time, place, and date. The Board may, in its discretion, grant a continuance(s). The Board may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit the Board to reach a just decision. Neither the Complainant nor the Respondent must attend the hearing, but both are encouraged to attend either personally or through a designated representative (including counsel). Any party may elect not to present argument or evidence at the hearing. Action taken by the Board shall be fair and reasonable taking into consideration all of the relevant facts and circumstances. Each hearing shall be open to attendance by all Owners, unless otherwise determined by the board pursuant to C.R.S. § 38-33.3-308(4)(e), which allows the Board to hold a disciplinary hearing regarding an Owner in executive or closed session. If the disciplinary hearing is held in an executive or closed-door session, the Owner may request and receive the results of any vote taken at the relevant meeting.

7. Notice of Hearing. If the Respondent files a written request for hearing, a notice of hearing in substantially the following form shall be mailed to or served upon the Respondent, as set forth above, at least fifteen (15) days prior to the hearing date, unless the violation is one which the Board has determined threatens public health and safety. Additional information may be included in the Notice of Hearing at the discretion of the Board.

**Notice of Hearing**

You are hereby notified that a hearing will be held before the Board at \_\_\_\_\_ on \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m. upon the charges made in the Complaint or letter previously sent to you on \_\_\_\_\_.

8. Decision. If a request for hearing is made, after all argument, testimony and other evidence has been presented to the Board at a hearing, the Board shall render its decision taking into consideration all of the relevant facts and circumstances. Following the hearing, the Board, acting by majority vote of the quorum, shall determine if the Respondent violated the Governing Documents and the amount, if any, of the fine to be imposed or other penalty to be enforced. The Board's decision shall be final. The minutes of the meeting must contain a written statement of the results of the hearing and the fine or penalty, if any, imposed. The Board will then provide the Respondent in violation a written letter or email, served as set forth above, setting forth (i) a summary of the hearing, (ii) the final decision made by the Board, and (iii) the amount of any fine imposed. The Board's decision shall have an effective date no sooner than five (5) days after the hearing.

9. Impartial Decision Maker. Any board member involved in the decision process outlined above must be an "impartial decision maker," as defined by C.R.S. § 38-33.3-209.5(2)(b), which requires that an "impartial decision maker" be:

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 its architectural requirements, and the other rules and regulations of the association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a 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.

Any impartial decision maker who is incapable of objective and disinterested consideration of any enforcement matter before the Association shall disclose such to the President of the Board of Directors prior to the hearing, if possible, or at the hearing, and the person shall be disqualified from all proceedings with regarding the hearing at issue. If disqualification of the person results in an

even number of remaining persons eligible to preside over the hearing, the presiding officer may appoint an impartial Owner, in good, standing, to serve as a voting member of the hearing.

10. Enforcement and Fines. The Association may enforce the Governing Documents by any means available to the Association, including the levy of fines, self-help remedies authorized by the Governing Documents, suspension of rights, relief in the nature of an injunction whether prohibitory or mandatory, or a lawsuit for damages, injunctive relief, attorney's fees and/or costs incurred by the Association. If the violation involves damage to the Association's or an Owner's property, costs of repair or replacement may be levied on the Respondent. Any fine or other monetary award levied against the Respondent will be collected pursuant to the Association's Collection Policy. In the event the Board determines any Respondent habitually violates the Governing Documents (*i.e.*, 4 or more violations in any 12-month period), the Board may suspend or revoke a Respondent's Association rights and privileges for a period commensurate with the violations, except that any suspension of a Respondent's voting rights and privileges shall not exceed 60 days following any violation unless such breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues and for up to 60 days thereafter.

Fines may be levied for violations of the Governing Documents as follows:

a. The Board shall apply the following penalty schedule relating to specific violations of the Governing Documents, which are not a threat to public health and safety. The total amount of fines imposed for each violation shall not exceed five hundred dollars (\$500.00).

<u>Number of violations in a 12-month period</u>	<u>Fine Amount</u>
First Violation	Warning Letter
Second Violation	\$100.00
Third Violation	\$200.00
Fourth and Subsequent Violations	\$400.00

b. The Board shall apply the following penalty schedule relating to specific violations of the Governing Documents which are a threat to public health and safety.

<u>Number of violations in a 12-month period</u>	<u>Fine Amount</u>
First Violation	up to \$400
Second and Subsequent Violations	up to \$1,000

c. The Board reserves the right to fine for first violations of rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice and in accordance with Colorado law, the Board reserves the right to levy fines in excess of the above referenced schedule, if the fines set forth in this schedule are not likely to provide effective incentives to induce compliance.

d. All fines shall be due and payable upon notice of the fine and will be late if not paid within 60 days of the date that the Owner is notified of the imposition of the fine. Interest may be imposed as provided for in the Collection Policy. Fines shall be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

11. Continuing Violations. If a violation is one that is continuing in nature, the Association may assess a fine in intervals of every other day, weekly, or monthly until the violation is abated. Alternatively, if a violation remains uncured for more than forty-eight hours from the date a fine is levied against an Owner, the Association may elect to provide a new Notice of Violation to the Owner and levy additional fines.

12. Finality of Board Decisions/Limited Appeal. Decisions of the Board under this Enforcement Policy are final except in situations in which the Board imposes (1) aggregate fines or other monetary awards in excess of \$500 for any 12-month period and (2) a non-monetary penalty or remedy such as suspension of rights or relief in the nature of an injunction, whether prohibitory or mandatory. In such cases Respondent may appeal the applicable Board decisions pursuant to the Association's Dispute Resolution Policy.

13. Fines During Pendency of Hearing Process. If fines or other monetary awards are levied against a Respondent pursuant to this Policy during the pendency of a hearing requested by Respondent and/or the Board's decision on the hearing, such monies will not become due and payable until the Board issues a final decision confirming the monies levied against the Respondent. If the Board decides that fines or other monetary awards should not have been levied against the Respondent, then the Respondent shall not be charged the fine or other monetary award initially levied and the Association shall not allocate to the Respondent's account any of the Association's costs or attorney fees incurred in asserting or hearing the claim.

14. Owners Responsible for Tenants, Family Members or Guests. Though the conduct alleged to be in violation of the Governing Documents may be that of an Owner's tenant, invitee, agent, family member, affiliate or guest, Owners may be deemed responsible by the Board for such conduct and may be fined for such conduct under this Enforcement Policy

15. Service of Notices. Service of all notices required or permitted to be given hereunder shall be made as follows:

a. *If to an Owner:* By email, personal delivery, posting on the Owner's property or by U.S. Mail, certified mail, return receipt requested, addressed to the last registered address of the Owner as contained in the Association's records.

b. *If to the Association:* By email to admin@smprop.com, personal delivery, or by U.S. Mail, certified mail, return receipt requested, addressed to the Association.

16. 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 Respondent coming into and staying in compliance with the Governing Documents.

17. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, rules and resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

## **VI. DISPUTE RESOLUTION POLICIES AND PROCEDURES**

A. Disputes between Association and Owners Regarding Collection and Covenant and Rule Enforcement Matters. Disputes between the Association and Lot Owners regarding assessment collection matters and covenant and rule enforcement matters are addressed in the Collection Policy and the Covenant and Rule Enforcement Policy.

B. Disputes Between Residents. The Association encourages Owners or residents with disputes among themselves to resolve such disputes without court proceedings. The Association may take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.



C. Required Dispute Resolution Procedure.

1. Prior to filing a lawsuit against the Association, the Board, or any director or officer of the Association, an Owner must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors.

2. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than 10 or more than 30 days from the date of receipt of the request.

3. The Owner, in such request and at the hearing, shall make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's grievance.

4. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but shall not be required to do so.

D. Discretionary Dispute Resolution Procedures. The procedures set forth below may be used in disputes between Owners and residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.

1. Negotiation. A request for dispute resolution by negotiation may be initiated by an Owner or the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less than 10 or more than 30 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

2. Mediation. If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 15 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

**VII. INVESTMENT OF RESERVES POLICY**

A. Standard of Care. With regard to investment of reserve funds, directors and officers shall be subject to the standard of care outlined below. Officers, for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities including, without limitation, a managing agent, attorney, or accountant employed by the Board.

1. Each director and officer shall perform their duties regarding investment of reserves in good faith, in a manner the director or officer reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of their duties, a director or officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and

other financial data, in each case prepared or presented by: (a) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, professional property manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Association on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

2. A director or officer shall not be considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer shall not be liable to the Association or its Members for any action the director or officer takes, or omits to take, as a director or officer if, in connection with such action or omission, the director or officer performs his duties in compliance with this policy. A director or officer, regardless of title, shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

B. Investment Vehicles. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds. The Board of Directors may, but shall not be obligated to, require that investments must be insured by FDIC, SIPC or comparable insurance.

C. Investment Goals. The reserve funds shall be invested to achieve the following goals, in descending order of importance:

1. promote and ensure the preservation of principal;
2. structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
3. mitigate the effects of interest rate volatility upon reserve assets;
4. seek the highest level of return that is consistent with preserving the principal and accumulated interest; and
5. minimize investment costs.

D. Criteria. The Board may consider the following circumstances in investing reserve funds:

1. general economic conditions;
2. possible effect of inflation or deflation;
3. expected tax consequences;
4. role that each investment plays in the overall investment portfolio; and
5. other resources of the Association.

E. Review, Authorization and Records.

1. The Board of Directors shall establish the amount, if any, to be transferred to reserve funds on an annual basis.

2. All accounts, instruments and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the Board of Directors as appropriate, and shall be reviewed at least once per year.

3. The President or Treasurer, if authorized by the Board, shall be authorized and empowered to purchase, invest in, acquire, sell or assign any and all types and kinds of investments meeting the goals in paragraph VII(C) above; and to enter into agreements, contracts and arrangements with respect to such security transactions and to execute, sign or endorse agreements on behalf of the Association. To withdraw or transfer funds, the signature of two Board members shall be required.

4. A person designated by the Board shall maintain statements, including detailed accounting of current values, income and all transactions.

F. Insurance. The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds to the extent such insurance is reasonably available.

### **VIII. RECORDS INSPECTION POLICY AND PROCEDURE**

A. Records to be Maintained. In addition to any records specifically required by the Association's Declaration or Bylaws, the Association shall maintain the following records:

1. detailed records of receipts and expenditures affecting the operation and administration of the Association;
2. records of claims for construction defects and amounts received pursuant to settlement of those claims;
3. minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board without a meeting (i.e., by written ballot or written consent in lieu of a meeting), and a record of all actions taken by a committee of the Board;
4. written communications (including email communications) among, and the votes cast by, Board members that are directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws or Colorado law;
5. the names of Members in a form that permits preparation of a list of names and physical mailing addresses of all Members, showing the number of votes each Member is entitled to vote ("Membership list");
6. the current Articles of Incorporation, Declaration, Bylaws, Rules and Regulations, responsible governance policies required pursuant to Colorado law, and any other policies adopted by the Board;
7. financial statements, to the extent available, showing, in reasonable detail, the Association's assets and liabilities and results of its operations for the past three years;
8. tax returns for the past seven years, to the extent available;
9. a list of the names, electronic mail addresses and physical mailing addresses of its current directors and officers;
10. its most recent annual report delivered to the Secretary of State;

11. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;
12. the Association's most recent reserve study, if any;
13. current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
14. records of Board or committee actions to approve or deny requests for design or architectural approval from Members;
15. ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate;
16. resolutions adopted by the Board relating the characteristics, qualifications, rights, limitations, and obligations of Members or any class of Members; and
17. written communications within the past three years to Members generally as Members.

B. Annual Disclosures. The Association shall provide the following information as required by C.R.S. § 38-33.3-209.4:

1. the date on which the fiscal year commences;
2. the operating budget for the current fiscal year;
3. a list, by Lot type, of the Association's current assessments (regular and special)
4. the annual financial statements, including any amounts held in reserve, for the fiscal year immediately preceding the current annual disclosure;
5. the results of the most recent available financial audit or review, if any; and
6. a list of all Association insurance policies, including company names, policy limits, policy deductibles, additional named insureds, and expiration dates.

C. Sole Records Subject to Inspection. The records outlined above shall be the sole records of the Association subject to inspection. If the Association stores other types of documentation, or stores documentation for a longer time period than may be required above, such documents shall not be considered records of the Association.

D. Availability of Records. The records set forth in Paragraph 1 shall be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours after written request of at least 10 days or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request. The written request shall describe the records sought with reasonable particularity. The Board may require that requests be submitted on the form attached to these governance policies.

E. Commercial Uses. No Member may use Association records, or allow Association records to be used, for commercial purposes.

F. Membership List. A Membership list may not be:

1. used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;
2. used for any commercial purpose;
3. sold to or purchased by any person;
4. used for any purposes unrelated to the Member's interest as a Member; or
5. used for any other purpose prohibited by law.

Any Member requesting a Membership list shall be required to sign the agreement attached to this policy indicating that he/she will not use the list for the purposes stated above.

G. Exclusions.

1. Pursuant to Colorado law, the following records are not available for inspection and copying to the extent that such records are or concern:

- a. personnel, salary, or medical records related to specific individuals; and
  - i. personal identification and account information of Members,
  - ii. bank account information,
  - iii. telephone numbers,
  - iv. electronic mail addresses,
  - v. driver's license numbers,
  - vi. social security numbers,
  - vii. vehicle identification information.

including:

2. Pursuant to Colorado law, the Association may withhold the following records from inspection and copying:

- a. architectural drawings, plans, and designs, unless the legal owner of such drawings, plans, or designs provides written consent to the release;
- b. contracts, leases, bids or records related to transactions to purchase or provide goods or services that are still in or under negotiation;
- c. communication with legal counsel protected by the attorney-client privilege or the attorney work product doctrine;
- d. disclosure of information in violation of law;
- e. records of an executive session of the Board; and
- f. records related to an individual Lot other than the Members' Lot.

H. Inspection. Upon receipt of a request, the Association shall make an appointment with the Owner, at a time convenient to both parties (subject to the requirements of Paragraph 2 above), to conduct the inspection. Unless otherwise agreed, all records shall be inspected at the management company's office. All appointments for inspection will be limited to two hours. If additional time is needed, another appointment will be made within two weeks, at a time convenient to both parties.

1. At the discretion of the Board of Directors or Association manager, records will be inspected only in the presence of a Board member, management company employee or other person designated by the Board.

2. During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means provided by the Association. Copies will be made at a cost based on the standard schedule of fees charged by the Association's management agent, which charges shall include reasonable retrieval costs for off-site files. The Owner shall be responsible for paying the total copying cost prior to receiving the copies.

3. Records may not be removed from the office in which they are inspected without the express written consent of the Board which consent may be conditioned on receipt of a cash deposit that shall be refunded upon return of the records.

I. Creation of Records. Nothing contained in these policies shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

J. Remedies. The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a commercial purpose.

## **IX. RESERVE STUDY AND FUNDING POLICY**

A. Reserve Study Policy. The Association is not required by its governing documents to have a reserve study. Although the Association does not have a professional reserve study for capital projects, the Board evaluates capital projects and their useful life on an informal basis.

B. Reserve Funding Policy. Funding for capital improvements is based on the Board's evaluation of future capital expenditures. The Association funds its reserve account on an annual basis from regular assessments. If the reserve funding is not adequate to fund any reserve project, funding is planned and projected to include special assessments of owners, a loan as may be obtained by the Association, and/or any combination of the above.

## **X. MISCELLANEOUS**

A. Modification. The Board reserves the right, from time to time, to amend or repeal these policies and procedures, subject to any limitations placed on the Board in the Governing Documents or by law.

B. Replacement. This policy supersedes and replaces prior policies adopted by the Board dealing with the subject matter herein.

C. Definitions. Unless otherwise defined in this Policy, capitalized terms shall have the same meaning ascribed by the Declaration.

D. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law and the State of Colorado governing the Association.

E. Failure by the Association to enforce any provision of these policies and procedures shall in no event be deemed to be a waiver of the right to do so thereafter.

F. The provisions of these policies and procedures shall be independent and severable. The invalidity of anyone or more of the provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

G. The use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders. The captions are inserted only as a matter of convenience and are in no way to be construed to define, limit or otherwise describe the scope of these policies and procedures.

**IN WITNESS WHEREOF**, the undersigned certify these Governance Policies were adopted by resolution of the Board of Directors of the Association on this Nov 22 day of November, 2022.

**ASPEN MOUNTAIN VIEW HOMEOWNERS' ASSOCIATION,**  
a Colorado nonprofit corporation

By: Ralph D. Hanson

**ATTEST**

By: Ralph D. Hanson

Print Name: Ralph D. HANSON

**ASPEN, MOUNTAIN VIEW HOMEOWNERS' ASSOCIATION  
REQUEST FOR ACCESS TO ASSOCIATION RECORDS**

Member Name: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Pursuant to state law and the Association's Records Inspection Policy, I hereby request that the Aspen, Mountain View Homeowners' Association provide access to the records of the Association. I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

(Please be as specific as possible. Add additional pages, if necessary.)

1. I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner or for any commercial purpose. I further understand and agree that the Association's membership list may not be:

- a. Used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- b. Used for any commercial purpose;
- c. Sold to, otherwise distributed to, or purchased by any person; or
- d. Any other purpose prohibited by law.

2. I acknowledge and accept the Association's Records Inspection Policy. I acknowledge and accept that the records of the Association will be made available to me only at such time and place as the Association's policy provides, and that there may be a cost associated with providing copies of these documents for me. I agree to pay any costs associated with copying these documents. In the event the records provided to me by the Association are used for any commercial purposes or other improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Member Signature: \_\_\_\_\_

Date: \_\_\_\_\_