

THE CRYSTAL BLUFFS TOWNHOME ASSOCIATION

AMENDED AND RESTATED
POLICIES AND PROCEDURES

Amended 8-10-22

AUTHORITY: The Declaration, Articles and Bylaws of the Crystal Bluffs Townhome Association and the Colorado Common Interest Ownership Act.

EFFECTIVE DATE: 8-10-22

RESOLUTION: The Association hereby adopts the following Policies pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors, for the benefit of the Association and its members:

1. CONDUCT OF MEETINGS

The following policy has been adopted by the Board of Directors ("Board") of The Crystal Bluffs Townhome Association ("Association") pursuant to Colorado statutes, to set forth the conduct of meetings.

A. OWNERS MEETINGS

1. Meetings of the Owners shall be held at such times and locations as may be provided in the Association's Declaration, Bylaws, Articles of Incorporation or Rules and Regulations ("Governing Documents") or by applicable Colorado statutes, but at least once annually.
2. Only Owners in good standing are eligible to vote. For purposes of this policy, "good standing," shall mean all of the following:
 - (i) Ownership of a Lot;
 - (ii) No assessment liens or fines relating to the Owner's property are due to the Association;
3. Notice of Owners meetings shall be distributed as may be provided in the Association's Governing Documents or by applicable Colorado statutes.
4. The Association's Board President shall, in consultation with the General Manager of the Association, determine the agendas for the meetings, subject to any requirements in the Association's Governing Documents, and distribute such agendas with notices of the meetings.
5. The President of the Association's Board or such other person as may be designated by the President, shall preside over all meetings.
6. Any person not in compliance with these rules of conduct, may be ejected from the meeting:

- a. No one may speak until called upon by the chairperson to do so;
 - b. Only one person may speak at a time;
 - c. Personal attacks or abusive language will not be tolerated; and
 - d. Only the individual presiding over the meeting may interrupt a speaker and then only for purposes of limiting the time of the discussion or due to personal attacks or abusive language.
7. Voting by Owners to fill positions on the Board shall be by secret ballot if the open position is contested. If there are only single nominees/volunteers for Board positions, Owners may be elected to the Board by acclamation. Any other matter put before the assembly for a vote may be by any means acceptable to the assembly or by secret ballot if requested by twenty (20) percent of the owners present in person or by proxy.
 8. Unless otherwise provided by the Governing Documents or by applicable Colorado statutes, the affirmative vote required for the election of Owners of the Board shall be the candidates receiving the largest number of votes.
 9. Unless otherwise provided by the Governing Documents or by applicable Colorado statutes, the affirmative vote required for the passage of any other matter put before the assembly for a vote shall be a quorum of Owners (as defined by the Rules and/or Bylaws).

B. BOARD MEETINGS

1. Meetings of the Board shall be held at such times and locations as may be provided in the Governing Documents or by applicable Colorado statutes.
2. Notice of Board Meetings shall be distributed as may be provided in the Governing Documents or by applicable Colorado statutes.
3. The Board President, in consultation with the General Manager, may create agendas for Board meetings, but are not required to do so.
4. Notwithstanding paragraph 3 above, Board Meetings may include a "Property Owners Forum" conducted as follows:
 - a. Any Owner wishing to speak at a scheduled meeting must notify either the Property Manager or President of the BOD in advance indicating the topic;
 - b. Only one person may speak at a time;
 - c. Personal attacks or abusive language will not be tolerated; and
 - d. Only the chairperson may interrupt a speaker and then only for purposes of limiting the time of the discussion or due to personal attacks or abusive language.
5. The President of the Board or such other person as may be designated by the President, shall preside over Board meetings.

6. At the conclusion of discussion, but prior to vote on the Motion by the Board, any Owner may request to be heard on the matter discussed.
7. Board meetings shall be open to attendance by all Owners of the association or their representatives.
8. The Board may hold an executive session and restrict attendance to only Board Owners and such other persons requested by the Board during a regular or special meeting for discussion of the following:
 - a. Matters pertaining to employees of the Association or the Managing Agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
 - b. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
 - c. Investigative proceedings concerning possible or actual criminal misconduct;
 - d. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and e. Review of or discussion relating to any written or oral communication from legal counsel.
9. Prior to holding an executive session, the President or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above.
10. No Rule or Regulation shall be adopted during an executive session. A Rule or Regulation may be validly adopted only during a regular or special meeting or after the Board returns from its executive session.
11. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

2. ALTERNATIVE RESOLUTION OF DISPUTES

The following policy has been adopted by the Board of Directors ("Board") of The Crystal Bluffs Subdivision Townhome Association ("Association") pursuant to Colorado statutes, for Alternative Resolution of Disputes.

In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board of Directors to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owner's request. Nothing in this Policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions are available to either party.

3. CONFLICTS OF INTEREST

The following policy has been adopted by the Board of Directors ("Board") of The Crystal Bluffs Townhome Association ("Association") pursuant to Colorado statutes, at a meeting of the Board to establish a policy and procedure for handling conflicts of interest by Board members.

RECITALS:

- a. The Board wishes to avoid self-dealing, actual or apparent, in its administration of the Association.
- b. The Board wishes to adopt requirements for members of the Board/Directors ("Board Members") in order to assure sound management of the Association.

NOW, THEREFORE, BE IT RESOLVED that the following shall apply:

Requirements upon all members of the Board of Directors:

- a. All Board Members shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to the Association and owners. All Board Members shall comply with all lawful provisions of the Association's Governing Documents.
- b. Any duality of interest or possible conflict of interest on the part of any Board Member shall be disclosed to the other Board Members at the first meeting of the Board at which the interested Board Member is present after the conflict of interest is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the Board meeting at which the disclosure of the conflict or possible conflict of interest is made.
- c. The interested Board Member shall leave the meeting during any time when discussion of any topic related to the conflict or possible conflict of interest is conducted. The minutes of the meeting shall reflect that the interested Board Member did not participate in the discussion and left the meeting during the discussion.
- d. Any Board Member having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter. The minutes of the meeting shall reflect the abstention from voting and the reason for the abstention.
- e. The foregoing requirements shall not be construed as preventing the interested Board Member from briefly stating his or her position in the matter nor from answering pertinent questions of other Board members since his or her knowledge may be of great assistance.
- f. Any breach or suspected breach of this resolution by a Board Member shall be brought to the attention of the remaining Board members for appropriate action.

4. ENFORCEMENT POLICY

The following policy has been adopted by the Board of Directors ("Board") of The Crystal Bluffs Townhome Association ("Association") pursuant to Colorado statutes, for (i) the enforcement of the Association's Declaration, Bylaws, Rules and Regulations (including any design guidelines or architectural controls), collectively referred to as the "Governing Documents;" and (ii) to establish a Schedule of Violations and Fines.

I. 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 and Investigation. The process to determine if the Governing Documents have been violated and enforcement action should result shall be initiated by the filing of a written complaint (Complaint) with or by the Board or the Association's managing agent. The Board may institute a Complaint, on its own accord, whether in writing or not. The Complaint shall state the specific provision of the Governing Documents alleged to have been violated and as many specifics as are available as to time, date, location and persons involved. The Board shall make reasonable efforts to investigate all Complaints filed with it. If the Board determines that any Complaint filed with it is insufficient to provide grounds for a violation, it shall notify the complainant, who shall have seven (7) days to amend the Complaint to render it sufficient. If the complainant does not render the Complaint sufficient within said period of time, the Complaint shall be dismissed without a hearing or notice of violation. If the Board determines that the Complaint appears to establish a violation of the Governing Documents, the Board shall then make a reasonable determination as to whether the violation threatens public safety or health.

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 Member (Notice of Violation). The Notice of Violation must be sent in English and the language that the Member 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 Member violated or is in violation of;
 - iv. That the board has determined the violation threatens public safety or health;
 - v. That the Member has seventy-two (72) hours to cure the violation or the Association may fine the Member;
 - 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 Member's right to request a hearing, and the timeline for the hearing process described in this policy.
- b. Inspection and Cure: The Member 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 Member. If the Member 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 Member 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 Member has not cured the violation within seventy-two (72) hours, the Association may impose fines upon the Member in accordance with the Fine Schedule listed below.
- d. Legal Action: In addition to imposing fines, if the Member 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 Member 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 Member. The Notice of Violation must be sent in English and the language that the Member 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 Member violated or is in violation of;
 - iv. The action(s) required to cure the violation;
 - v. That the Member has thirty (30) days to cure the violation or the Association may fine the Member;
 - 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 Member's right to request a hearing, and the timeline for the hearing process described in this policy.
- b. Fines: If the Member has not cured the violation with thirty (30) days, the Association may impose fines upon the Member 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 Member has not cured the violation within thirty (30) days, the Association shall grant the Member a second thirty (30) day period before initiating any legal action against the Member. The Association may impose fines upon the Member 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 a Member, the Member 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 Member. If the Member 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 Member 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 Member has not cured the violation by the expiration of the second thirty (30) day cure period, the Association may take legal action against the Member 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 Member. 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 Member 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 Member (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 be in attendance at 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 Members, 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 a Member in executive or closed session. If the disciplinary hearing is held in an executive or closed-door session, the Member 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 Member, 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 a Member’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 offenses in a 12-month period</u>	<u>Fine Amount</u>
First offense:	Warning or up to \$150.00
Second offense:	\$250.00
Third and subsequent violations:	\$500.00

- (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 offenses in a 12-month period</u>	<u>Fine Amount</u>
First offense:	up to \$500
Second and subsequent offenses:	up to \$10,000.00

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 a Member, the Association may elect to provide a new Notice of Violation to the Member 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. Members Responsible for Tenants, Family Members or Guests. Though the conduct alleged to be in violation of the Governing Documents may be that of a Member's tenant, invitee, agent, family member, affiliate or guest, Members may be deemed responsible by the Board for such conduct and may be fined for such conduct under this Enforcement Policy.

15. Association Records: The Association shall maintain records of all contacts between the Association and the Member in regard to a violation, including the type of communication, the date of the communication, and the time of the communication.

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

- (a) *If to a Member:* By email, personal delivery, posting on the Member's property or by U.S. Mail, certified mail, return receipt requested, addressed to the last registered address of the Member as contained in the Association's records.
- (b) *If to the Association:* By email to cblhoa@yahoo.com, personal delivery, or by U.S. Mail, certified mail, return receipt requested, addressed to the Association.

17. 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.

5. COLLECTIONS

The following policy has been adopted by the Board of Directors ("Board") of The Crystal Bluffs Subdivision Townhome Association ("Association") pursuant to Colorado statutes, for the collection of assessments, fines, fees and other amounts owed to the Association by its Members.

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. Billing and Due Dates: The Association's annual Common Expense Assessment shall be due and payable, in full, within 30 days of initial date of billing. Assessments and other charges not received by the Association by the 31st day following initial date of billing, or other date(s) as established by the current Assessment Payment Policy, shall be considered past due and delinquent.
5. Collection Process: Upon delinquency, the Association shall proceed as follows:

- a. *Notice of Delinquency:* After a monthly installment of the annual assessment, fines fees or other amounts due to the Association becomes delinquent, 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 he/she/it is 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 Member to comply with the Association’s governing documents.
- b. *Second Notice of Delinquency:* If, (a) thirty (30) days have elapsed since the Association delivered the initial 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 send a second notice of delinquency (“Second Notice”), which must be provided to the Member using the same method required by Section 5(a) and include all of the information required by Section 5(a).
- c. *Filing of Lien:* If, (a) thirty (30) days has elapsed since the Association delivered the initial 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. The Association shall provide a Member with notice within a reasonable time after lien has been filed.

d. *Referral to Collection Agency or Attorney:* If (a) thirty (30) days has elapsed since the Association delivered the initial 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)	30 days after billing date
Due Date for Fines, Fees, and other Charges (date payment is due)	10 days after receipt of valid notice from the Association
Past Due Date (date payment is late if not received on or before that date)	31 days after Due Date
First Notice (Notice of Delinquency)	Any time after the Past Due Date
File Lien	More than 30 days after Notice of Delinquency is delivered
Delinquent account turned over to the Association's attorney.	More than 30 days after Notice of Delinquency is delivered

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 monthly basis, a twenty-five dollars (\$25.00) late fee for any assessment, fines, fees, or other amounts past due. The late charge shall be a “common expense” for each delinquent Member. Additionally, 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. 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 \$50.00, 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. 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 monthly installment of the annual assessment, fines or fees is not timely made within thirty (30) days of the due date.

10. 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 the 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.

11. 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.

12. 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.

13. 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.

14. 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 lot or 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

6. INSPECTION AND COPYING OF RECORDS

The following policy has been adopted by the Board of Directors ("Board") of The Crystal Bluffs Townhome Association ("Association") pursuant to Colorado statutes, at a meeting of the Board to establish a policy and procedure for handling the inspection and copying of Association records.

1. The Association shall keep as records the following documents:
 - (a) Records the Association is required to disclose within 90 days after the end of the fiscal year as required by C.R.S. § 38-33.3-209.4(2);
 - (b) Detailed records of receipts and expenditures affecting the operation and administration of the Association;
 - (c) Records of claims for construction defects and amounts received pursuant to settlement of those claims;
 - (d) Minutes of all meetings of the Members and the Board, a record of all actions taken by the Members or Board without a meeting, and a record of all actions taken by any committee of the Board;
 - (e) Written communications among, and the votes cast by, Board members that are:
 - (i) Directly related to an action taken by the Board without a meeting pursuant to section 7-128-202, C.R.S.; or
 - (ii) Directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws;
 - (f) The names of Members in a form that permits preparation of a list of the names of all Members and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Member is entitled to vote;
 - (g) The current Declaration, Bylaws of the Association, Articles of Incorporation of the Association, all rules and regulations and responsible governance policies, and other policies adopted by the Board;
 - (h) Financial statements as described in section 7-136-106, C.R.S., for the past three years and tax returns of the Association for the past seven years, to the extent available;
 - (i) A list of the names, electronic mail addresses, and physical mailing addresses of the current Board members and officers;
 - (j) A list of the current amounts of all unique and extraordinary fees, assessments, and expenses that are chargeable by the association in connection with the purchase or sale of a unit and are not paid for through assessments, including transfer fees, record change fees, and the charge for a status letter or statement of assessments due.
 - (k) All documents included in the association's annual disclosures made pursuant to section 38-33.3-209.4, C.R.S.
 - (l) The most recent annual report delivered to the secretary of state, if any;
 - (m) Financial records sufficiently detailed to enable the Association to comply with section 38-33.3-316(8), C.R.S., concerning statements of unpaid assessments;
 - (n) The Association's most recent reserve study, if any;
 - (o) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
 - (p) Records of the Board or committee actions to approve or deny any requests for design or architectural approval from Owners;

- (q) Ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate;
- (r) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members; and
- (s) All written communications within the past three years to all Members generally as Members.
- (t) All written consents provided by Members consenting to the disclosure of such Members' telephone number, electronic mail address, driver's license numbers, and social security numbers.
- (u) Any contact with a Member in regard to a Member's delinquency in paying assessments, fines, or fees, including information regarding the type of communication used to contact the Member and the date and time that the contact was made, pursuant to C.R.S. § 38-33.3-209.5.
- (v) The designated contact and preferred language of a Member, pursuant to C.R.S. § 38-33.3-209.5

2. So the Association can have the desired books, records and personnel available, a written notice of intent to inspect records must be submitted to the Association, its authorized agent or to the Board at least fourteen (14) days prior to the planned inspection. Such notice must describe with reasonable particularity which records are to be inspected and the purpose of the inspection.

3. All records maintained solely in physical form shall be inspected at either the principal office of the Association located at the Association's headquarters or the office of the Association's secretary between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday. The Association shall take reasonable efforts to maintain all documents disclosable under this Policy in electronic form.

4. Notwithstanding the foregoing, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a Member's interest as a Member (and unit owner) without consent of the Board. Without limiting the generality of the preceding sentence, without the consent of the Board, a membership list or any part thereof may not be:

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

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

- (a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
- (b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
- (c) Communications with legal counsel that are otherwise 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;
- (f) Individual units other than those of the requesting Owner; or

- (g) Any documents that are confidential or otherwise prohibited from disclosure under constitutional, statutory or judicially imposed requirements; and
- (h) The ballot forms from any secret ballot conducted by the Association, except that same shall, if required by C.R.S. 38-33.3-317(1)(n) and upon any advice of legal counsel, be provided with redaction of information relating to the Member casting such ballot.

6. Records maintained by the Association are not subject to inspection and copying, and must be withheld, to the extent that they are or concern:

- (a) Personnel, salary, or medical records relating to specific individuals; or
- (b) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers. However, the Association may publish to other Members and unit residents a Member's or unit resident's telephone number, electronic mail address, or both, provided that the Association has received the prior written consent for the disclosure of such information from the subject Member or unit resident. A written consent remains valid until the subject Member or unit resident withdraws it by providing the Association with a written notice of withdrawal of the consent. If a consent is withdrawn, the Association has no obligation to change, retrieve, or destroy any document or record published prior to the notice of withdrawal. The Association will accept written consents and notices of withdrawal of the consent provided by Members and unit residents via electronic mail to the Association, so long as the subject Member or unit resident includes in the electronic mail of consent or withdrawal the following statement, or a substantially similar version thereof: "I hereby agree to provide this consent or withdrawal of consent, as applicable, by electronic means in accordance with the Uniform Electronic Transactions Act, Article 71.3 of Title 24, C.R.S."

7. The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of Association records. The charge may not exceed the estimated cost of production and reproduction of the records. But, if it does, any amounts collected above actual costs shall be refunded. There shall be no cost to access records which are required to be disclosed by Colorado law at no cost to a Member.

8. A right to copy records under this Policy includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by a Member. The information described in this Policy shall be provided to the Members by the Association either by (i) posting such information on an internet website with notice of the URL for such website delivered to the Members by electronic mail or first-class mail; (ii) placing such information on a literature table or in a binder in the Association's main office; (iii) mail or personal delivery; (iv) electronic transmission; or (v) such other method as may be permitted under CCIOA.

9. Within fourteen (14) days after receipt of a written request and payment of any fees required, all of the records which must be produced to a Member will be available for examination and copying by the Member or the Member's authorized agent.

10. The Association is not obligated to compile, summarize or synthesize information contained within its records.

11. Association records and the information contained within those records shall not be used for commercial purposes.

12. The Association reserves the right to have a third-party present to observe during any inspection of physical records by a Member or the Member's authorized agent.

13. No Member shall remove any original book or record of the Association from the place of inspection, nor shall any Member alter, destroy or mark in any manner, any original book or record of the Association.

7. RESERVE INVESTMENT AND STUDIES

The following policy has been adopted by the Board of Directors ("Board") of The Crystal Bluffs Townhome Association ("Association") pursuant to Colorado statutes, at a meeting of the Board to establish a policy and procedure for handling reserve studies and investment.

A. Investment Objectives: This Policy is designed to protect and preserve reserve funds for maintenance, repair and replacement of those items for which the Association is responsible and that must be periodically maintained, repaired or replaced ("Reserve Fund"). Reserve Funds are to be invested in a manner that assures maximum safety and appropriate liquidity and, secondarily, maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:

- a. Preservation and safety of principal;
- b. Liquidity to meet expected and unexpected expenditures; and
- c. Maximization of yield.

B. Reserve Fund Investment Responsibilities:

1. The Board has sole authority to approve and amend, alter or otherwise make changes to this Policy. Any modifications to this Policy shall be in writing and approved by the Board in accordance with its amendment policy.
2. The Board shall have direct control with regard to opening appropriate bank accounts and establishing safekeeping accounts or other arrangements for the custody of securities and execute such documents as may be necessary for the Reserve Fund. The Board may employ the service of a qualified investment advisor to direct a portion or all of the investment activities of the Association consistent with guidelines set forth in this investment policy.
3. The Board will monitor ongoing investment activities to ensure property safety and liquidity of the Reserve Fund are being provided and that the investment strategy is

consistent with the Association's objectives. The Board shall review investment performance no less than quarterly.

C. Reserve Fund Investment Guidelines:

1. Eligible Investments: The Reserve Fund portfolio will be limited to the following investments:
 - a. Certificates of deposit (CDs);
 - b. Money market deposit accounts;
 - c. Money market funds; and
 - d. U.S. treasuries and U.S. treasury zero coupons.
2. Credit Quality Restrictions: All investments shall be AAA-rated or U.S. Treasury securities
3. Maturity Limits:
 - a. No individual investment may exceed two (2) years in maturity; and
 - b. The weighted average maturity of the portfolio will not exceed one (1) year. The Association must structure its investment portfolio in order to meet anticipated cash requirements.
4. Strategy: The investment strategy of the Association should emphasize a long- term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.
5. Custodian: Investments will be held in custodial accounts with approved banks or financial institutions federally insured either through FDIC or the U.S. Government, with no more than two hundred and fifty thousand dollars (\$250,000.00) held in any one bank.

D. Reserve Fund Investment Procedures:

1. Transfers of budgeted additions to reserves shall be made at least annually;
2. A quarterly report of earnings shall be prepared by a bookkeeper or financial advisor and presented at a Board meeting;
3. To withdraw funds from investment accounts, a signature must be provided by one of the following with an exception of when making transfers between accounts of the Association:
 - a. The President;

- b. Two non-president Board members;
 - c. Association bookkeeper; or
 - d. Association financial advisor.
4. In addition to any requirements provided by the Declaration, the Association shall obtain coverage by fidelity insurance to protect the Association from loss due to theft for any person with access to its investments.
- E. Reserve Studies: In order to determine funding of the Reserve Fund, the Board may determine with the assistance and advice of professionals if so requested by the Board, the life expectancy of those portions of Association to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study"). Although it shall have no obligation to cause a Reserve Study to be prepared at all, the Board may cause a Reserve Study to be prepared at such time as is determined in the sole discretion of the Board. The Reserve Study shall be based on a physical analysis and financial analysis. Any Reserve Study may be conducted internally by the Association. In the event a Reserve Study recommends any work, the funding plan for such work shall be as determined by the Board in the exercise of its business judgment and with regard to the recommendations of the Reserve Study. The Reserve Fund is the projected source of funding for any work recommended by the Reserve Study. The Reserve Fund shall be funded through regular assessments and, when necessary, special assessments levied by the Association. The Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.
- F. Standard of Conduct: With regard to the investment of the Reserve Fund, the officers and directors of the Association shall discharge such persons' duties as a director or officer:
- a. In good faith;
 - b. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
 - c. In a manner the Director or officer reasonably believes to be in the best interests of the Association.

8. ADOPTION AND AMENDMENT OF POLICES

The following policy has been adopted by the Board of Directors ("Board") of The Crystal Bluffs Townhome Association ("Association") pursuant to Colorado statutes, at a meeting of the Board to establish a policy and procedure for adopting and amending policies.

1. Pursuant to the Association's governing documents and Colorado Revised Statutes 38-33.3-302, the authority to create, adopt, enforce, amend and repeal policies, procedures, rules, regulations (collectively referred to as a Rule) lies with the Board.

2. When the Board, in the exercise of its discretion, determines that a Rule should be adopted, amended or repealed, as appropriate, it shall do so by resolution either at a duly noticed general or special meeting of the Board or by any other method authorized by the Association's governing documents or pursuant to Colorado law. No Rule shall be adopted during an executive session of the Board.

3. The Board shall then give at least thirty (30) days' prior notice of the adoption, amendment or repeal of any Rule in writing by email or first class mail, postage prepaid, to each Member of the Association, and shall publish the Rule by any reasonable means available, including but not limited to, posting the Rule on the Association's website, by email, by newsletter, or personal delivery before any such adoption, amendment or repeal of the Rule may become effective. The Rule, along with all other Association Rules, shall be available for inspection and copying in accordance with the Association's Inspection and Copying of Records Policy.

4. The Board has the right, but not the obligation, prior to adopting, amending or repealing any Rule, to conduct a separate informational meeting of the Members and solicit their input regarding any such Rule.

5. Notwithstanding the foregoing, the Board may forego the notice requirements of paragraph 3, if the Board reasonably determines that compliance with paragraph 3 is not practical given an emergent threat to public health or safety.

GENERAL PROVISIONS

The following provisions pertain to each and all of the foregoing policies:

1. Deviations. The Board may deviate from the procedures set forth in this policy if, in its sole discretion, such deviation is reasonable under the circumstances.

2. Supplement to Law. The provisions of this Resolution 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.

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

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

5. Amendment. This policy and procedure may be amended at any time by the Board, pursuant to its policies and procedures.

6. Waiver. 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.

7. Severability. 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.

8. Singular, Plural, Etc. 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.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of The Crystal Bluffs Townhome Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on the 12th day of September, 2022, and in witness thereof, the undersigned has subscribed his/her name.

THE CRYSTAL BLUFFS TOWNHOME ASSOCIATION, a Colorado non-profit corporation.



By:
Secretary