

GLENWOOD COMMERCIAL CENTER CONDOMINIUM ASSOCIATION
POLICIES AND PROCEDURES

The Colorado Common Interest Ownership Act (“CCIOA”), C.R.S. § 38-33.3-209.5, requires that associations adopt certain policies, procedures, and rules and regulations concerning the following:

- (I) Collection of unpaid assessments;
- (II) Handling of conflicts of interest involving board members;
- (III) Conduct of meetings;
- (IV) Enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines;
- (V) Inspection and copying of association records by unit owners;
- (VI) Investment of reserve funds;
- (VII) Procedures for the adoption and amendment of policies, procedures, and rules;
- (VIII) Procedures for addressing disputes arising between the association and unit owners; and
- (IX) Reserve Requirements.

WHEREAS, the following policies and procedures have been duly adopted. by Glenwood Commercial Center Condominium Association (the "Association").

I. Collection of Unpaid Assessments

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. Monthly Billing and Due Dates: The monthly 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 and every month. Assessments, fines, fees or other charges not paid in full to the Association within fifteen (15) 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 thirty (30) days have elapsed since the Due Date for a monthly installment of the annual assessment, fines fees or other amounts due to the Association, 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:
 - A. 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;
 - B. The total amount due to the Association along with an accounting of how the total amount was determined;
 - C. 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;
 - D. 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;
 - E. 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;
 - F. Notice of the late fees and interest that may accrue;
 - G. 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
 - H. 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) 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 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) 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 Annual Assessments (date payment is due)	1st day of each month
Due Date for Special Assessments, Fines, Fees, and other Charges (date payment is due)	30 days after receipt of valid notice from the Association
Past Due Date (date payment is late if not received on or before that date)	15 days after Due Date for monthly installments of Annual Assessments; 30 days after Due Date for Special Assessments, Fines, Fees, and other Charges
First Notice (Notice of Delinquency)	Any time after 30 days past the 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 dollar (\$20.00) late fee for any annual assessment installment not paid by the fifteenth (15th) day of the month in which it is due, or for any special assessments, fines or fees not paid by the thirtieth (30th) day after notice of the special assessment, fine or fee was delivered by the Association. The late charge shall be a "common expense" for each delinquent Member. Additionally, and notwithstanding Section 14.3

of the Declaration, 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 \$20.00, shall be assessed on a 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 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.

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 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

II. Board Members' Conflicts of Interest

A. DEFINITIONS

1. "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.
2. "Director" or "Board Member" means a member of the Association's Board of Directors or "Board".

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

B. POLICY

1. 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 the loan until it is repaid.
2. If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any Director or Party related to a Director, then, in advance of entering into that contract, making the decision or taking the action, that interested Board Member shall declare at an open meeting of the Board, that a conflict of interest exists and shall describe in detail all of the particular facts of the conflict of interest.
3. After the interested Board Member makes such a declaration, the interested Board Member may participate in a discussion of the matter giving rise to the conflict of interest. However, the interested Board member may not vote on the issue giving rise to the conflict of interest.
4. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee that authorizes, approves or ratifies the conflicting interest transaction.
5. The conflicting interest transaction may not be void or voidable by an Owner or the Association if:
 - a. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
 - b. The facts about the conflicting interest transaction are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or
 - c. The conflicting interest transaction is fair to the Association.

III. Conduct of Meetings

- A. Member Meetings. All meetings of the Association are open to every Member, or to any person designated by a Member in writing as the Member's representative, and Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings.
- B. Board Meetings. All meetings of the Board are open to every Member, or to any person designated by a Member in writing as the Member's representative. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Members or their designated representatives shall be permitted to speak regarding the issue. The Board may place reasonable time restrictions on persons speaking during the meeting, to allow sufficient time for as many members as possible to comment within the time permitted. Unless otherwise determined by the President or acting chair, the time limit will be three minutes per member. Members will only be allowed to speak more than once at the discretion of the Board. If more than one person desires to address an issue and there are opposing views on that issue, the Board shall provide for a reasonable

number of persons to speak on each side of the issue.

- C. Executive Session of Board. Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Board Members and other persons specified by the Board; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of CCIOA, as amended from time to time, or other applicable law. Matters for discussion by an executive or closed session are limited to:
1. 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;
 2. 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;
 3. Investigative proceedings concerning possible or actual criminal misconduct;
 4. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
 5. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
 6. Review of or discussion relating to any written or oral communication from legal counsel.
- Prior to the time the members of the Board convene in executive session, the President or acting chair shall announce the general matter of discussion as enumerated in paragraphs (1) to (6) above. No rule or regulation of the Board shall be adopted during an executive session.
- D. Recording of Meetings. Note taking is permitted, however, video or audio recording of all or any portion of any meeting by Members is prohibited.
- E. Member Conduct. No Member is entitled to speak until recognized by the chair. There shall be no interruption of anyone who has been recognized by the chair, except by the chair. Specific time limits set for speakers shall be strictly observed. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. All comments are to be directed to the chair and not other individual participants. All comments are to be restricted to the agenda item being discussed.
- F. Curtailment of Member Conduct. Should the President or acting chair determine that any Member has spoken for the allocated amount of time or longer, or determine that the Member is in violation of the provisions of this policy, the President or acting chair shall have the authority to instruct that member to yield the floor, and that member will be obligated to comply with the President's or acting chair's instruction.

IV. Enforcement of Covenants and Rules

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 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 fourteen (14) 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 fourteen (14) 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 fourteen (14) 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 letter
Second offense:	\$50.00
Third offense:	\$150.00
Fourth and subsequent violations:	\$250.00

- (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 \$250
Second and subsequent offenses:	up to \$1,000

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 [email address], personal delivery, or by U.S. Mail, certified mail, return receipt requested, addressed to the Association.

17. 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.

18. 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.

V. Inspection and Copying of Records

The Association will maintain, retain and produce Association records in accordance with the procedures and requirements set forth in the Colorado Not-for-Profit Corporation Act, Colorado Common Ownership Interest Act and Association's governing documents, including the declaration, articles of incorporation, bylaws and this policy. The following policy (the "Policy") conforms with C.R.S. §§ 38-33.3-209.4, 209.5 and 317, and shall apply to the inspection and copying of the Association's records:

- 1. All Association record must be maintained in a form that allows conversion into written form in a reasonable time.
- 2. The following records will be maintained at the Association's principal office and shall be considered the sole records of the Association for purposes of document retention and production to owners:
 - a. Detailed records or receipts and expenditures affecting the operation and administration of the Association;
 - b. Records of claims for construction defects and amounts received pursuant to

- settlement of those claims;
 - c. Minutes of all meetings of the owners and the Board, a record of all actions taken by the owners and the Board without a meeting, and a record of all actions taken by any committee of the Board;
 - d. Written communications among, and votes cast by the Board that are:
 - i. Directly related to an action taken by the Board without a meeting pursuant to C.R.S. §7-128-202; or
 - ii. Directly related to an action taken by the Board without a meeting pursuant to the Association's bylaws;
 - e. The name of owners in a form that permits preparation of a list of names of all owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each owner is entitled to vote;
 - f. The Association's current declaration, covenants, bylaws, articles of incorporation, rules and regulation, responsible governance policies adopted pursuant to C.R.S. §38-33.3-209.5, and other policies adopted by the Board;
 - g. Financial statements as described in C.R.S. §7-136-106 for the past three years and tax returns of the Association for the past seven years, to the extent available.
 - h. A list of the names, email addresses and physical mailing addresses of the current Board members and officers;
 - i. The Association's most recent annual report (if any) delivered to the Secretary of State;
 - j. Financial records sufficiently detailed to enable the Association to comply with C.R.S. §38-33.3-316(8) concerning statements of unpaid assessments, to be sent by certified mail, return receipt requested, so they are received by the requesting party within fourteen days of the Association's receipt of request;
 - k. The Association's most current reserve study (if any);
 - l. Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
 - m. Records of Board or Committee actions to approve or deny any requests for design or architectural approval from owners;
 - n. Ballots, proxies and other records related to voting by owners for one year after the election, action or vote to which they relate;
 - o. Resolutions adopted by its Board relating to the characteristics, qualifications, limitations and obligations of members of any class or category of members; and
 - p. All written communications within the past three years to all owners generally as owners.
- C. An owner or owner's authorized agent may inspect and copy Association records during normal business hours if the owner or authorized agent has submitted a written request, describing with reasonable particularity the records sought, at least ten days prior to the inspection or production of documents. The Association's "Request to Inspect Records" form is attached to and made a part of this Policy. The Association may not condition the production of records upon the statement of a proper purpose.
- D. Notwithstanding Paragraph C, above, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an owner's interest as an owner without the consent of the Board. Without limiting the generality of this Paragraph D, 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 owners in an election to be held by the Association;
 - b. Used for any commercial purpose; or
 - c. Sold to or purchased by any person.
- E. 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 owners of the drawings, plans, or designs;
 - b. Contracts, leases, bids or records related to transaction to purchase or provide goods or services that are currently in or under negotiations;
 - c. Communications with legal counsel that are otherwise protected by 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; or
 - f. Records relating to or concerning individual units other than those of the requesting owner.
- F. 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; and
 - b. Personal identification and account information of members, including bank account information, telephone numbers, email addresses, driver's license numbers, and social security numbers.
- G. The Association will impose a reasonable charge, which may be collected in advance and will cover costs of labor and material, for copies of Association records, The charge may not exceed the estimated cost of production and reproduction of the records.
- H. A right to copy records under this Policy includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request of an owner.
- I. The Association is not obligated to compile or synthesize information.
- J. Association records and the information contained within those records shall not be used for commercial purposes.
- K. Upon request, the selling unit owner shall either provide to the buyer or authorize the Association to provide to the buyer, upon payment of the Association's usual fee pursuant to Paragraph G, above, all the common interest community's governing documents and financial documents, as listed in the most recent version of the contract to buy and sell real estate promulgated by the real estate commission as of the date of the contract.
- L. Audits or reviews of the books and records of the Association shall be done at the discretion of the Board or upon owner request as follows:
 - a. An audit is required only if the Association has annual revenues or expenditures of at least \$250,000 and owners of at least one-third of the units represented by the Association request in writing an audit.
 - b. A review is required only when requested in writing by the owners of at least one-third of the units represented by the Association.
 - c. Copies of audits or reviews shall be available on request to any owner within thirty days after completion.
- M. Within ninety days after the change or any of the following, the Association will give written notice to the owners of the following items by first class mail, personal delivery, a binder at the principal place of business, or posting on the Association's website:
 - a. Name of the Association and the common interest community;

- b. Name and address of the management company, if any;
 - c. Physical address and phone number for the Association and the designated agent or management company; and
 - d. Date of recording of the Declaration and recording information.
- N. Within ninety days after the end of each fiscal year, the Association will make the following information available to owners by first class mail, personal delivery, a binder at the principal place of business, or posting on the Association's website:
- a. Date the Association's fiscal year begins;
 - b. Operating budget for the current year;
 - c. List of current regular and special assessments, by unit type;
 - d. Annual financial statements, including reserves, if any;
 - e. Results of most recent audit or review;
 - f. List of all the Association insurance policies (property, general liability, director and officer liability, fidelity), including companies, policy limits and deductibles, additional insureds, and expiration dates;
 - g. The Association bylaws, articles and rules and regulations;
 - h. Minutes of the Board and member meetings for the prior fiscal year; and
 - i. The Association's "Responsible Governance Policies."

VI. Standard of Care for Directors Investing Reserve Funds

- A. Directors and officers must meet the standards of care outlined in the Colorado Revised Nonprofit Code when investing association reserve funds. The standards require directors and officers to act:
- 1. In good faith;
 - 2. With the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and
 - 3. In a manner the director or officer reasonably believes to be in the best interest of the association.
- B. In discharging their duties, directors and officers may rely on other people on matters that the directors or officers reasonably believe are within that person's professional or expert competence.

VII. Adoption and Amendment of Policies, Procedures and Rules

The Board may from time adopt and amend the policies, procedures and rules and regulations concerning the Community, except the new policy, procedure, rule or amendment shall not amend the terms of the Declaration which may only be amended as provided therein. Such amendments are valid and enforceable against an Owner only if:

- a. Their purpose is to promote the convenience, safety, or welfare of the Owners;
- b. They are reasonably related to the purpose for which they are adopted;
- c. They are not retaliatory or discriminatory in nature;
- d. They are sufficiently explicit in prohibition, direction, or limitation of the Owner's conduct to fairly inform him of what he must or must not do to comply.

In order to adopt or amend a policy, procedure, or rule and regulation, the Board shall approve the same in accordance with the Bylaws and send notice of the newly-adopted policy, procedure, rule and regulation to the Owners via first class mail or email (if the Owner has provided an email address to the Association). No policy, procedure, or rule and regulation shall be effective until sent to the Owners.

VIII. Alternative Dispute Resolution Policy

Article 24 of the Declaration addresses Enforcement and Dispute Resolution. In the event that Article 24 of the Declaration does not cover a dispute and except in the case of the Association's collection of assessments or enforcement of the covenants, bylaws, or rules and regulations of the Association by the Association, the following policy regarding alternative dispute resolution is applicable:

- A. Meeting with Board. In the event of any dispute involving the Association and an Owner, it is the intention of the Association to resolve the dispute informally and without the need for litigation. The Owner or the Association shall notify the other in writing of the claim, stating, (i) the nature of the Claim, including the date, time, location, persons involved, (ii) the basis of the claim (i.e. the provisions of the Declaration, the Bylaws, the Articles, Rules or Regulations or other authority out of which the claim arises); (iii) what the claimant wants the other to do or not do to resolve the claim; and (iv) that claimant wishes to resolve the claim by mutual agreement and is willing to meet in person with the other at a mutually agreeable time and place to discuss in good faith ways to resolve the claim.

The parties shall make every reasonable effort to meet either in person or by conference call to resolve the claim by good faith negotiation.

- B. Mediation. If a meeting is unsuccessful or does not occur, all claims or disputes, except in the case of the collection of assessments, shall be initially submitted to mediation in good faith. The parties shall jointly appoint a mediator and will share equally in the cost of mediation. If a party does not respond within ten (10) days of receipt of a request to mediate or if the parties cannot agree on a mediator within ten (10) days of the request, the mediation requirement shall be deemed fulfilled. If mediation does occur, it shall be completed within thirty (30) days from the date of request.

If mediation is unsuccessful or does not occur, the parties may pursue their claims via the appropriate court or submit the dispute to binding arbitration.

- C. Binding Arbitration. If the matter cannot be resolved by mediation or otherwise within thirty (30) days of the request for mediation, alternative dispute resolution (ADR) in the form of Binding Arbitration may be pursued if both the Owner and the Association agree.
- D. This Policy is an agreement of the Association and Owners to mediate and/or arbitrate all claims except the stated exceptions and is specifically enforceable under the applicable arbitration law of the State of Colorado. The arbitration shall be final and binding and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.
- E. Costs. If the claims are resolved through negotiation as provided above, each party shall bear all of its own costs incurred in resolving the claim, including its attorney fees, unless the parties otherwise agree. If the claims are not resolved through negotiation and the claim goes to arbitration, the prevailing party shall receive as a part of its award from the opposing party all of its costs, including attorney fees, and any expenses incurred as a result of the dispute resolution procedures of this policy.
- F. 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.

G. Amendment. This policy may be amended from time to time by the Board of Directors.

H. Disputes between Owners. Any disputes between Owners are subject to the Declaration Article VII, 1. (c).

IX. Reserve Requirements

A. Funding. After receipt of any reserve study or any updates thereto, the Board of Directors of the Association shall establish a funding plan or update the funding plan and then adjust the assessments allocated for the Reserve Fund (as defined herein) to match the requirements identified by the reserve study or update. All assessments placed in the Reserve Fund shall be in accordance with the Association's policy then in effect regarding investment of reserve funds.

B. 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.

C. Reserve Studies. The Board shall determine when a reserve study is required. If and when a reserve study is performed, such study will comply with the following:

1. All reserve studies and updates shall be based on both a physical analysis and a financial analysis of the portions of the Association which are maintained, repaired, replaced and subject to improvement by the Association.
2. All reserve studies and updates shall include an inventory, a condition assessment based on a site inspection and contain an estimate of remaining useful life.

D. Funding. After receipt of the initial reserve study or any updates thereto, the Board of Directors of the Association shall establish a funding plan or update the funding plan and then adjust the assessments allocated for the Reserve Fund to match the requirements identified by the reserve study or update. All assessments placed in the Reserve Fund shall be in accordance with the Association's policy then in effect regarding investment of reserve funds.

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

X. Miscellaneous

A. Notwithstanding anything herein to the contrary, the Association reserves the right, at any time and from time to time hereafter, to modify, amend, repeal and/or re-enact these Policies and Procedures in accordance with the Declaration, Bylaws and applicable law. The Board or its management company shall send notice of the newly-adopted policy, procedure, rule and regulation to the Owners via first class mail or email (if the Owner has provided an email address to the Association). No policy, procedure, or rule and regulation shall be effective until sent to the Owners.

- B. The Board and its management company are empowered to enforce these Policies and Procedures. All Policies and Procedures shall be in effect at all times.
- C. Failure by the Association, the Board or any person 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.
- D. The provisions of these Policies and Procedures shall be deemed to be independent and several, and the invalidity of anyone or more of the provisions hereof, of any portion thereof, by judgment of decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect.
- E. Unless the context provides or requires to the contrary, 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.
- F. The captions to the sections are inserted herein only as a matter of convenience and for reference, and are in no way to be construed so as to define, limit or otherwise describe the scope of these policies and procedures or the intent of any provision hereof.

These Policies were adopted this 1st day of December, 2022 by resolution of the Board of Directors of the Glenwood Commercial Center Condominium Association, Inc., a Colorado nonprofit corporation.

**Glenwood Commercial Center Condominium
Association, Inc.**

By: _____
Secretary