

# LONGVIEW PARK OWNERS ASSOCIATION

## POLICIES AND PROCEDURES

### A. INTRODUCTION

The Board of Directors ("Board") of Longview Park Owners Association, a Colorado nonprofit corporation ("Association"), acting pursuant to the powers set forth in the Bylaws of Longview Park Owners Association ("Bylaws"), Articles of Incorporation, the Declaration for Longview Park, Filing No. 1 ("Declaration") (such documents being collectively referred to as the "Association Governing Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Policies and Procedures effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association's Governing Documents, then as set forth in CCIOA. For the purpose of these Policies and Procedures, "Related User" shall refer to a non-Owner who is a Tenant(s), Guest(s), or Invitee(s). For the purpose of these Policies and Procedures, "Violator" shall refer to either an Owner(s) and/or Related User(s).

### B. RESPONSIBLE GOVERNANCE POLICIES

#### 1. Investment of Reserve Fund

a. **Purpose.** To institute proper guidelines for the ongoing management of the Association's investment of its Reserve funds.

b. **Investment Objectives.** Reserve funds are required for the maintenance, repair, and replacement of those items for which the Association is responsible and that must be periodically maintained, repaired, or replaced. 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:

- (1) Preservation and safety of principal;
- (2) Liquidity to meet expected and unexpected expenditures; and
- (3) Maximization of yield.

c. **Investment Responsibilities.** The Board has sole authority to approve and amend, alter or otherwise make changes to this Policy and Procedure. Any modifications to this Policy and Procedure shall be in writing and approved by the Board.

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. 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 and Procedure.

The Board will monitor ongoing investment activities to ensure proper liquidity is being provided and that the investment strategy is consistent with the Association's objectives. The Board shall review investment performance no less than quarterly.

#### d. Investment Guidelines

- (1) Eligible Investments. The 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.
  - (c) Strategy. Investments shall be structured so they mature in successive years allowing the Association to minimize the interest rate risk.
  - (d) 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 \$250,000.00 held in any one bank.

e. **Procedures**

- (1) Transfers of budgeted additions to reserves shall be made on a monthly basis;
- (2) A quarterly report of earnings shall be prepared by the Managing Agent, financial advisor, or the treasurer and presented at a Board meeting;
- (3) The signature of two (2) Officers must be required to withdraw funds from investment accounts. An exception may be made for transfers between accounts of the Association so long as both accounts require the signature of two (2) Officers for withdrawals of funds; and
- (4) In addition to any requirements provided by the Association's Governing Documents, 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.

*References: C.R.S. §§ 7-128-401, 38-33.3-303 and 209.5*

## 2. Enforcement of the Association's Governing Documents and Schedule of Fines

a. **Notice of Alleged Violation.** Notice of Alleged Violation of any provision of the Association's Governing Documents shall be provided to the applicable Owner as soon as is reasonably practicable after the Board's receipt of such violation. The Board shall also provide a copy of such Notice to the Related User, if applicable. The Notice shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the Association's Governing Documents.

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

- (1) **If to an Owner and/or Related User:** By personal delivery to the Owner and/or Related User; or by email, or by U.S. Mail, postage prepaid, addressed to the last registered address of the Owner and/or Related User as contained in the Association's records. Personal delivery to the Owner and/or Related User may be made by affixing such notice to a conspicuous location on the Owner's unit.
- (2) **If to the Association:** By personal delivery or U.S. Mail, postage prepaid, addressed to the Association in care of its registered agent and office as maintained with the Colorado Secretary of State, or to its Managing Agent by personal delivery, or by email, or by U.S. Mail, postage prepaid, or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed received on the date of delivery, and any notice emailed or mailed shall be deemed received on the fifth day following the date of mailing.

c. **Complaints of Alleged Violation.** Complaints regarding alleged violations may be reported by an Owner or Related User within the community, a group of Owners and/or Related Users, the Association's Managing Agent, if any, or Board Member(s) by submission of a complaint.

- (1) Complaints by Owners and/or Related Users shall be in writing and submitted to the Board of Directors. A written complaint is not required if the alleged violation can be independently verified by the Association. The complaining Owner and/or Related User ("Complainant") shall have observed the alleged violation and shall identify the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Board.
- (2) Complaints by a Board Member or Officer, or the Managing Agent, if any, may be made in writing or by any other means deemed appropriate by the

Board if such violation was observed by the Board Member or Officer or Managing Agent.

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

e. **Voluntary Compliance.** It is the intent of the Board to gain voluntary compliance without the need to resort to violation letters and fines. Therefore, upon receipt of a complaint, the Board may first attempt to informally resolve the matter through phone calls to the Violator or in-person communication through the Managing Agent. If these efforts fail, the Board will, at its discretion, use the other remedies included in this Policy and Procedure, including the imposition of fines.

f. **Courtesy Letter.** If a violation is found to exist and voluntary compliance has not occurred, a courtesy letter may be sent to the Owner and/or Related User explaining the nature of the violation. If the violation is a continuous violation, meaning one that continues and is uninterrupted by time, the letter shall advise the Owner and/or Related User that he or she will have two (2) days, or more at the discretion of the Board, from the date of the letter to come into compliance, and shall advise the Owner and/or Related User if he or she does not come into compliance, the Owner may be subject to fines pursuant to this Policy and Procedure. If the violation is not a continuing one, meaning the violation is a one-time discrete violation, such as the pet leash rule, the letter shall contain a statement advising the Owner and/or Related User that a violation has occurred and that subsequent violations of the same rule or covenant may result in the imposition of fines pursuant to this Policy and Procedure.

g. **Continued or Subsequent Violation After Courtesy Letter.** In the case of a continuous violation, if the Owner and/or Related User does not come into compliance within two (2) days, or more at the discretion of the Board, of the courtesy letter, a Fine Letter shall then be sent via email or U.S. mail to the Owner, and Related User if applicable, providing notice and an opportunity for a hearing, and explaining that a fine may be imposed pursuant to this Policy and Procedure. The letter shall further state that the Owner, and Related User if applicable, is entitled to a hearing on the merits if requested in writing within seven (7) days, or more at the discretion of the Board, of receipt of the Fine Letter. In the case of one-time discrete violations, if the Owner and/or Related User subsequently violates the same rule or regulation for which the Owner and/or Related User received a prior courtesy or Fine Letter, a Fine Letter shall then be sent to the Owner, and Related User if applicable, providing notice and an opportunity for a hearing, and explaining a fine may be imposed pursuant to this Policy and Procedure. The letter shall further state that the Owner, and Related User if applicable, is entitled to a hearing on the merits if requested in writing within seven (7) days of the receipt of the Fine Letter.

h. **Request for Hearing.** If an Owner and/or Related User desires a hearing to challenge or contest any alleged violation and possible fine, the Owner must request such hearing, in writing, within seven (7) days, or more at the discretion of the Board, from receipt of the Courtesy or Fine Letter. The request for hearing shall describe the grounds and basis for challenging the alleged violation. If a hearing is not requested within the seven (7) day period, or more at the discretion of the Board, but not to exceed 14 days, the Board shall determine if there was a violation, and if so, may assess a reasonable

fine within the guidelines contained in this Policy and Procedure within sixty (60) days of the expiration of the seven (7) day period, or more at the discretion of the Board, but not to exceed 14 days.

i. **Notice of Hearing.** If a hearing is requested by the Owner and/or Related User, the Board may serve a written notice of the hearing to all parties involved at least seven (7) days prior to the hearing date.

j. **Board to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant to this Policy and Procedure. The Board may appoint an Officer or other Owner to act as the Presiding Officer and voting member of the Hearing Board.

k. **Conflicts.** Any Board Member or Officer who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Board prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board Member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board Member(s) results in an even number of remaining Board Members eligible to hear a case, the Presiding Officer may appoint an Owner, in good standing, to serve as a voting member of the Hearing Board.

l. **Hearing.** The Board shall inform the Owner/Related User/Violator and complaining party of the scheduled time, place, and date of the hearing, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures, and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Notice of Alleged Violation. Each party may make opening statements, may present evidence and testimony, may present witnesses, and may make closing statements. The complaining parties nor the Owner/Related User/Violator are required to be in attendance at the hearing. However, the decision of the Board at each hearing shall be based on the matters set forth in the Notice of Alleged Violation, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners of the Association.

m. **Decision.** After all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its written findings and decision, and impose a reasonable fine, if applicable, within fourteen (14) days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the members of the Hearing Board present at the hearing. The Board may also issue and present for recording with the County Clerk and Recorder, a Notice of Finding of Violation. Upon satisfactory compliance with the Association's Governing Documents, the Notice of Finding of Violation may be released by the Association by issuing and recording a Release of Notice of Finding of Violation.

n. **Fine Schedule.** Unless otherwise provided in the Rules and Regulations, any violation of the Association's Governing Documents will subject the Owner to a reasonable fine assessment imposed by the Association as follows:

First violation:	\$0
Second violation of same covenant or rule:	\$100
Third violation of same covenant or rule:	\$200
Subsequent violations of same covenant or rule :	\$500

In applying this schedule:

- (1) The record of the Owner and/or Related User for two (2) years prior to the date of the current violation will be considered; and
- (2) The date when the actual violation occurred will control regardless of the date of conviction.

o. **Continuous Violations.** Continuous violations are defined as violations of Owner and/or Related User obligations that are uninterrupted by time. For example: the failure to remove an unapproved exterior improvement. If an Owner and/or Related User is determined as having a continuous violation, in accordance with the terms of this Policy and Procedure, such Owner may be subject to a daily fine of \$50.00 per day per covenant if not corrected, following a notice and opportunity for a hearing as set forth above. If the violation is not cured within 30 days after the commencement of the daily fine, the Association may turn the matter over to the Association's attorney to take appropriate legal action. In the event of a continuing violation, a daily fine may be levied if, and only if, the Association's Managing Agent performs a daily inspection to verify the violation is continuing.

p. **Other Charges.** In addition to the fines outlined above, each Owner shall be liable to the Association for any damage to the Common Elements or for any expense or liability incurred by the Association which may be sustained by reason of negligence or willful misconduct of such Owner and/or Related User, and for any violation by such Owner and/or Related User of the Association's Governing Documents. In any action to enforce any violation, the Association, if it prevails, shall be entitled to recover all costs, including without limitation, attorney fees and courts costs, reasonably incurred in such action.

q. **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 Owner and/or Related User coming into and staying in compliance with the Association's Governing Documents.

r. **Violations on Common Elements.** If a violation occurs on Common Elements, the Association may use self-help to correct the violation as may be allowed under the Association's Governing Documents or Colorado law.

s. **Other Means.** Notwithstanding any provision of this fine schedule or Policies and Procedures, the Association may use any legal means available at any time to enforce the terms of the Association's Governing Documents.

t. **Deviations.** The Board may deviate from the procedures set forth in this Policy and Procedure if in its sole discretion such deviation is reasonable under the circumstances.

*References: C.R.S. § 38-33.3-209.5; Declaration § 6.07, §§ 8.07-8.10, § 13.06; Rules and Regulations § 2, § 7*

### 3. Collection of Unpaid Assessments

a. **Due Date:** The Association's Annual Common Expense Assessment shall be due and payable, in full, on January 1 of each year. Provided, however, the Board shall permit payment to be made in equal monthly or quarterly installments due on the first day of each month, commencing January 1. Assessments or other charges not paid to the Association by the 15th day of each month shall be considered past due and delinquent. The Association shall post payments on the day the payment is received by the Association.

b. **Late Charge and Interest Imposed:** Once a payment is past due and delinquent, a Late Charge of \$25.00 may be assessed against the Owner to compensate the Association for the additional administrative costs in processing a delinquent payment. Further, interest shall accrue at 21% per annum on all outstanding or past due balances.

c. **Return Check Charges:** In addition to any and all charges imposed under the Association's Governing Documents or pursuant to Colorado statutes, or this Policy and Procedure, a fifty dollar (\$50.00) fee or other amount deemed appropriate by the Board, not to exceed \$150, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner of the Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Association's Governing Documents or this Policy and Procedure. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order. The return check charge shall be in addition to any late fees or interest incurred by an Owner.

d. **Attorney Fees on Delinquent Accounts:** As an additional expense permitted (collectible as a Common Expense Assessment) under the Association's Governing Documents and Colorado statutes, 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 Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

e. **Application of Payments made to the Association:** Regardless of inscriptions or notations on the front of the check, all payments received on the account of any Owner shall be applied in the following order: 1) any and all attorney fees, legal fees and costs incurred for collection of assessments or for Owner's failure to comply with provisions of the Association's Governing Documents, including lien fees; 2) fines, late charges and interest; 3) returned check charges, and other costs owing or incurred with respect to such Owner pursuant to the Association's Governing Documents and Colorado statutes or this Policy and Procedure; 4) Past-due Special Assessments (if any); 5) Currently due Special Assessments (if any); 6) Past-due installments of Annual Assessments; 7) Current installments of annual Assessments. Checks containing a restrictive endorsement on the back will be returned to the Owner and the amount tendered shall be considered unpaid.

f. **Acceleration of Installments:** In the Board's sole discretion, and upon at least thirty (30) days' written notice to the Owner, in the event at least two (2) monthly installments are past due, the entire Annual Assessment may be accelerated so that all monthly installments for the remainder of the Assessment year are immediately due and payable.

g. **Collection Procedures:**



- (1) After an installment or other charge due the Association becomes 20 or more days past due, the Board shall cause a "Late Notice" to be sent to the Owner who is delinquent in payment. The Late Notice shall include the following information:
  - (a) the total amount due, including an accounting of how the amount was determined;
  - (b) whether an opportunity to enter a payment plan exists, and instructions for contacting the Association in order to enter into such a payment plan;
  - (c) the name and contact information to request a verification of the debt; and
  - (d) a notice that action is required to cure the delinquency and failure to do so within 30 days may result in the account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.
- (2) If payment in full is not received within 30 days of the First Notice, the Board may, but shall not be required to send a written notice of intent to lien for non-payment ("Second Notice") for non-payment.
- (3) Pursuant to C.R.S. 38-33.3-316.3, the Association will make a good faith effort to enter a payment plan with an Owner except that the Association shall not be obligated to enter a payment plan with an Owner that does not occupy the Unit and has acquired the Unit as a result of a default of a security interest encumbering the Unit or a foreclosure of the Association's lien. The Board has discretion in determining the terms and conditions of any payment plan offered or accepted. The Board shall only be required to make a payment plan available to an Owner if it is the first time the Owner has been delinquent and the Owner has not previously entered into a payment plan, the amount due is less than the equivalent of six months of assessments, and the payment plan requires the full amount due to be paid within six months. Any payment plan agreed to by the Association shall be in writing, signed by the Owner. Nothing in this rule shall prohibit the Association from pursuing legal action against an Owner if the Owner fails to



comply with the terms of his payment plan. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the payment plan, constitutes a failure to comply with the terms of the payment plan.

h. **Potential Legal Remedies.** The Association may seek enforcement and payment of all amounts owed via any and all legal remedies available to it under Colorado law and the Association's governing documents, including, but not limited to the following:

- (1) Referral of Delinquent Accounts to Attorneys. The Board may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys the attorneys may take all appropriate action to collect the accounts referred, including recording of a Notice of Assessment Lien against the Owner's Unit.
- (2) Appointment of a Receiver. The Board may seek the appointment of a receiver if an owner becomes delinquent in the payment of installment of Annual Assessments. A receiver is a disinterested person, appointed by the court who manages the rental of the property, collects the rent and disburses the rents according to the court's order.
- (3) Lawsuit for Money Judgment. The Board may choose to file a lawsuit against the Owner personally for a money judgment of all amounts owed.
- (4) Judicial Foreclosure. The Board may choose to foreclose on the Association's lien in lieu of or in addition to suing an Owner for a money judgment. Pursuant to C.R.S. 38-33.3-316, foreclosure shall only be initiated if the assessments and other charges secured by the lien equals or exceeds six months of assessments, and the Board has formally resolved, by a recorded vote, to authorized the filing of such legal action.

i. **Waivers:** Nothing in this collection policy shall require the Association to take specific actions or pursue specific legal remedies. The Board may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Board granting the relief and the conditions of the relief.

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

k. Except as may be provided by Colorado Law, failure of the Association to comply with any provision in this Policy and Procedure shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy and Procedure.

I. The provisions of this Policy and Procedure shall be in addition to and in supplement of the terms and provisions of the Association's Governing Documents and the law of the State of Colorado.

*References: C.R.S. § 38-33.3-316 and C.R.S. 38-33.3-316.3; Declaration §§ 7.04, 7.05, Article 8; Bylaws § 9.1, § 10.4*

#### **4. Conflicts of Interest**

##### **a. Conflicting Interest Transaction.**

##### **(1) Definitions.**

- (a) **Conflicting Interest Transaction.** A contract, a transaction, decision, or other financial relationship:
  - i. between the Association and a Board Member; or
  - ii. between the Association and a party related to a Board Member; or
  - iii. between the Association and an entity in which a Board Member is also a Director or Officer or has a financial interest.
- (b) **Officer.** Any person designated as an Officer of the Association and any person to whom the Board delegates responsibilities under CCIOA including a Managing Agent, attorney, or accountant employed by the Board.

##### **(2) Dealing with a Conflicting Interest Transaction.**

- (a) No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an Owner of the Association or by or in the right of the Association as a nonprofit corporation, solely because the conflicting interest transaction involves a Board Member or a party related to a Board Member or an entity in which a Board Member of the Association is a Director or Officer or has a financial interest or solely because the Board Member is present at or participates in the meeting of the Board or solely because the Board Member's vote is counted for such purpose so long as:
  - i. The material facts as to the Board Member's relationship or interest and, as to the conflicting interest transaction, are disclosed or are known to the Board, and the Board in good faith authorizes, approves, or ratifies the conflicting

interest transaction by the affirmative vote of a majority of the disinterested Board Members, even though the disinterested Board Members are less than a quorum; or

- ii. The material facts as to the Board Member's relationship or interest and, as to the conflicting interest transaction, are disclosed or are known to the Board Members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Owners; or
  - iii. The conflicting interest transaction is fair as to the Association.
- (b) Interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.
- (c) For purposes of this Policy and Procedure, a party related to a Board Member shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board Member or a party related to the Board Member has a beneficial interest, or an entity in which a party related to the Board Member is a Director, Officer, or has a financial interest.
- (d) Any conflict of interest on the part of any Board Member or Officer shall be verbally disclosed to the other Board Members or Officers in open session at the first open meeting at which the interested Board Member or Officer is present prior to any discussion or vote on the matter. Notwithstanding anything above in Section (2)(a), after disclosure, the Board Member or Officer may participate in the discussion but shall not vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum, and record who voted for and against.
- (e) In addition to the above, all Board Members or Officers shall adhere to the following Code of Ethics:
- i. No Board Member or Officer shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.

- ii. No contributions will be made to any political parties or political candidates by the Association.
- iii. No Board Member or Officer shall solicit or accept, directly or indirectly, any monies, gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association
- iv. No Board Member or Officer shall accept monies, gifts, or favors made with intent of influencing decision or action on any official matter.
- v. No Board Member or Officer shall receive any compensation from the Association for acting as a volunteer.
- vi. No Board Member or Officer shall willingly misrepresent facts to the Owners for the sole purpose of advancing a personal cause or influencing the Owners to place pressure on the Board to advance a personal cause.
- vii. No Board Member or Officer shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the President of the Board or be in accordance with Policies and Procedures.
- viii. All Board Members or Officers shall exhibit professional courtesy to all contractors and community Members. No Board Member or Officer shall interfere with contractual relationships between contractors and community Members.
- ix. No Board Member or Officer shall harass, threaten, or attempt through any means to control or instill fear in any Owner, Board Member, Officer of the Association, or contractor.
- x. No promise of anything not approved by the Board as a whole can be made by any Board Member or Officer to any subcontractor, supplier, or contractor during negotiations.
- xi. Any Board Member or Officer convicted of a felony shall voluntarily resign from his/her position.

- xii. No Board Member or Officer shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.
- xiii. Language and decorum at Board meetings will be kept professional. Personal attacks against Owners, Related Users, community members, contractors, Board Members, or Officers are prohibited and are not consistent with the best interest of the community.
- xiv. Board Members or Officers shall comply with all technical and operating standards, policies and procedures of the Association that are in force or may from time to time be promulgated by the Board.
- xv. No Board Member or Officer shall use any funds of the Association for their own personal use. All funds of the Association must be segregated either through bank accounts or accounting records.

b. **Loans Prohibited.** No loans shall be made by the Association. Any Board Member or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

*References: C.R.S. §§ 38-33.3-310.5, § 7-128-501*

## 5. **Conduct of Meetings**

### a. **Policy and Procedure**

- (1) The provisions of this Policy and Procedure shall be in addition to and in supplement of the terms and provisions of the Association's Governing Documents and the law of the State of Colorado.
- (2) Except as may be provided by Colorado law, the Board may deviate from the procedures set forth in this Policy and Procedure if in its sole discretion such deviation is reasonable under the circumstances.

### b. **Owners Meetings**

- (1) Meetings of the Owners ("Owners") shall be held at such times and locations as may be provided in the Association's 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 and Procedure, "good standing," shall mean all of the following: (i) ownership of a Unit; (ii) no outstanding amounts due to the Association; (iii) no outstanding violation of any provision of any of the Association's Governing Documents.
- (3) Notice of Owner meetings shall be distributed as may be provided in the Association's Governing Documents or by applicable Colorado statutes.
- (4) The Board shall 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 Board or such other person as may be designated by the President shall chair all Owner meetings.
- (6) Items of business and/or discussion upon which the Board anticipates taking action must be presented by Motion and such Motion seconded, prior to discussion. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Owners, Owners present at such time shall be afforded by the Chair an opportunity to speak on the motion. The Chair may announce the procedure for a reasonable number of persons to speak in favor of or against an issue including how long each person will be permitted to speak. Following Owner input, the Chair will declare Owner input closed and there shall be no further Owner participation on the motion unless a majority of the Owners present vote to open discussion to further Owner participation.
- (7) Any person not in compliance with the following rules of conduct may be ejected from the meeting:
  - (a) No one may speak until called upon by the Chair 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 Chair may interrupt a speaker and then only for purposes of limiting the time of the discussion or due to personal attacks or abusive language.
- (8) Voting by Owners to fill positions on the Board shall be by secret ballot. Any other matter put before the assembly for a vote may be by any means acceptable to the Board or by secret ballot if requested, unless otherwise required by law. Written ballots shall be counted by a neutral third party, excluding the Association's Managing Agent, legal counsel, or accountant, but may be counted by an Owner(s) who is not a candidate selected randomly from a pool of two or more Owners. The Chair shall specify the procedure for randomly selecting the Owner(s). The individual(s) counting

the ballots shall report the results to the Chair indicating the number of votes cast in favor or against each issue or individual.

- (9) Unless otherwise provided by the Association's Governing Documents or by applicable Colorado statutes, the affirmative vote required for the election of members of the Board shall be the candidates receiving the largest number of votes. Unless otherwise provided by the Association's 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 majority of those present (as defined by the Association's Governing Documents) and voting at this meeting.
- (10) Written ballots may be used in lieu of any Owner meeting as allowed by Colorado law.
- (11) Proxies may be given by any Owner as allowed by C.R.S. §7-127-203 and reviewed by the Association's Secretary or designee as to the following: validity of signature; signatory's authority to sign for the Owner; authority of the Owner to vote; conflicting proxies; and expiration of the proxy.

c. **Board Meetings**

- (1) Meetings of the Board shall be held at such times and locations as may be provided in the Association's Governing Documents or by applicable Colorado statutes.
- (2) Notice of Board Meetings shall be distributed as may be provided in the Association's Governing Documents or by applicable Colorado statutes.
- (3) The Board Members or Managing Agent may create agendas for Board meetings, but are not required to do so. To the extent that an agenda is created for a Board meeting, it shall be provided to Owners requesting a copy of same.
- (4) Notwithstanding paragraph 3 above, Board meetings shall include an "Owners Forum" conducted as follows:
  - (a) There will be a list at a sign in table for persons to enter their names if they wish to speak at this meeting;
  - (b) Only those persons who have entered their names on the list of speakers shall speak;
  - (c) Speakers will be called upon to speak in the same order in which they entered their names;
  - (d) No one may speak until called upon by the Chair to do so;
  - (e) Only one person may speak at a time;
  - (f) Each person shall have three (3) minutes to speak;
  - (g) Personal attacks or abusive language will not be tolerated; and

- (h) Only the Chair 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 chair all Board meetings.
- (6) For each matter upon which the Board anticipates taking action, a Motion must be made stating the proposed action, followed by discussion. Owners who are not Board Members may not participate in such discussion unless requested by a majority vote of the Board to do so.
- (7) At the conclusion of discussion, but prior to vote on the Motion by the Board Members, any Owner may request to be heard on the matter discussed. Notwithstanding the previous statement, a reasonable number of persons shall be heard in favor of the Motion and a reasonable number of persons shall be heard opposed to the Motion. The number of persons allowed to speak will be at the discretion of the Chair.
- (8) Board meetings shall be open to attendance by all Owners or their authorized representatives.
- (9) The members of the Board may hold an executive session and restrict attendance to only Board Members 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.
  - (f) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure.
- (10) Prior to holding an executive session, the President of the Board or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above.



- (11) 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.
- (12) 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.

*References: C.R.S. §§ 38-33.3-308; 38-33.3-310; Declaration § 13.05; Bylaws § 4.6, 4.10, §9.2*

## **6. Inspection and Copying of Association Records**

a. **Inspection of Association Books and Records by Owners ("Owners")**. An Owner or Owner's authorized representative is entitled to inspect and copy, at the Owner's expense and during regular business hours at a reasonable location specified by the Association, any of the records or papers of the Association, except as specifically limited or excluded by Section c) below, if the Owner gives the Association written demand at least five (5) business days before the date on which the Owner wishes to inspect and copy such records and:

- (1) The demand is made in good faith and for a proper purpose;
- (2) The Owner describes with reasonable particularity the purpose and the records or papers the Owner desires to inspect; and
- (3) The records or papers are directly connected with the described purpose.

"Proper purpose" means a purpose reasonably related to the demanding Owner's interest as a member of the Association.

It is within the reasonable discretion of the Board to determine whether an Owner's demand to inspect and copy is made in good faith and for a proper purpose.

b. **Proper Purpose/Limitation**. Without the consent of the Board, an Ownership list or any part thereof may not be obtained or used by any person for:

- (1) Any purpose unrelated to an Owner's interest as a member of the Association; or
- (2) To solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association; or
- (3) Any commercial purpose; or
- (4) To be sold to or purchased by any person.

c. **Exclusions**. The following records and documents may be kept confidential by the Association:

- (1) **Attorney-Client Confidential Documents**. In order to protect the attorney/client privilege existent between the Association and its attorneys,

all attorney created documents, including, but without limitation, memos, opinion letters, and draft documents prepared at the behest of the Board, are not available for the inspection or copying by any Owner without the consent and authority of the Board and upon advice of the legal counsel involved.

- (2) **Personnel Confidential Documents.** Documents pertaining to employees of the Association or involving employment, promotion, discipline, or dismissal of an Officer, agent or employee.
- (3) **Applicable Law.** Any documents that are confidential under constitutional, statutory or judicially imposed requirements.
- (4) **Individual Privacy.** Any documents the disclosure of which would constitute an unwarranted invasion of individual privacy are confidential.

d. **Copy and other Document Fees.** The Association will impose a reasonable charge, covering the costs for copies of any documents the Association provides to an Owner. The charge may not exceed the actual cost for copies as incurred by the Association, said cost to be determined from time to time by the Association.

If an Owner requests copies of Association documents which are not in the possession of the Association, the Owner is responsible for whatever fees and costs are imposed by the entity (CPA, attorney, etc.) holding such records for copy and related costs, including but not limited to labor, materials and postage.

If an Owner requests a copy of an Association document which must be retrieved from archives, compiled, generated, certified or authenticated in any way, the Owner is responsible for all fees and costs incurred in the retrieval, compilation, generation, certification or authentication and reproduction (copying) of the requested document(s), including but not limited to labor, materials and postage.

e. **Inspection.** The Association reserves the right to have a third party present to observe during any inspection of record by an Owner.

f. **Original.** No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.

g. **Creation of Records.** Nothing contained in this Policy and Procedure shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

h. **Agent.** The Association has designated its Managing Agent to maintain all records and provide all such access as required by Colorado law and/or this Policy and Procedure. Therefore, such Managing Agent shall have all rights of the Association with respect to such obligations.

i. **Supplement to Law.** The provisions of this Policy and Procedure shall be in addition to and in supplement of the terms and provisions of the Association's Governing Documents and the law of the State of Colorado.

*References: C.R.S. §§ 38-33.3-209.4, 209.5, and 317; Bylaws § 4.12.14, Article 11*

**7. Adoption and Amendment of Policies, Procedures and Rules**

a. Adoption or amendment of any Policy, Procedure or Rule shall be performed only at a meeting of the Board which is open to all Owners or Owners' authorized representatives.

b. The Board shall consider the following criteria when adopting or amending a Policy, Procedure or Rule:

- (1) Reasonableness and necessity based upon the scope and importance of the issue;
- (2) Impact does not create separate groups of Owners;
- (3) Clear and unambiguous;
- (4) Reasonably relates to the preservation, protection and enhancement of property values;
- (5) Consistent with the authority provided under (i) the Association's Governing Documents; (ii) applicable federal and state statutes and case law; and (iii) local laws and ordinances; and
- (6) The immediate and long-term impact and implications of the Policy, Procedure, or Rule.

c. Adoption or amendment of any Policy, Procedure, or Rule requires an affirmative vote of a majority of members of the Board who are in attendance at the meeting.

d. Owners shall be notified via first class mail or email of the proposed adoption of a new Policy, Procedure, or Rule or of the proposed amendment to an existing Policy, Procedure, or Rule. The proposed new or amended Policy, Procedure, or Rule shall be posted on the Association's website; and upon request, Owners may obtain a printed copy from the Association's Managing Agent. Owners shall be allowed a minimum of 30 days to provide comment and/or feedback on the proposed new or amended Policy, Procedure, or Rule. The Board may forego notification and opportunity to comment in the event the Board determines, in its sole discretion, that providing notice and opportunity to comment is not practical, given the emergency nature of such Policy, Procedure, or Rule.

e. Any Owner's failure to receive the notification shall not serve as a defense to any attempt by the Association to enforce the new Policy, Procedure, or Rule or to levy fines, expenses, or attorneys' fees as a result of the violation of the Policy, Procedure, or Rule.

f. After the period for Owner comment expires, the Board may adopt the new or amended Policy, Procedure, or Rule. Owners shall be notified via first class mail or email of the adoption of any new or amended Policy, Procedure or Rule. The adopted Policy, Procedure, or Rule shall be posted on

the Association's website; and upon request, Owners may obtain a printed copy from the Association's Managing Agent.

g. As of the date of the adoption of these Policies and Procedures, any adopted Policy, Procedure, or Rule shall be effective fifteen (15) days after the first class mail or email delivery of written notification to each Owner. Any notice emailed or mailed shall be deemed received on the fifth day following the date of mailing.

h. The provisions of this Policy and Procedure shall be in addition to and in supplement of the terms and provisions of the Association's Governing Documents and the law of the State of Colorado.

*References: C.R.S. § 38-33.3-209.5*

**8. Alternative Dispute Resolution.** Finding that the cost and delay of litigation is often an inefficient means of resolving disputes within the community, the Association wishes to encourage the resolution of disputes through alternatives to litigation. The Association hereby adopts the following alternative dispute resolution Policy and Procedure:

a. With respect to disputes between Owners, the Association encourages the parties to seek remedies through procedures other than litigation, such as negotiation, facilitation, mediation or arbitration.

b. Except as provided in Section 8 c), when the Association is involved in a dispute with one or more Owners, the Board, in its sole discretion, may elect to engage in alternative dispute resolution (including negotiation, facilitation, mediation or arbitration), if this is agreed to by all the parties to the dispute. However, under no circumstances shall the Association be required to participate in any alternative dispute resolution proceeding.

c. Exceptions: Notwithstanding the above or as otherwise ordered by a court of law, the Association shall not engage in alternative dispute resolution for the following actions, conditions or circumstances:

- (1) any suit by the Association for recovery of one or more installments of unpaid assessments and other amounts due to the Association;
- (2) any suit by the Association to obtain a temporary restraining order, injunction or such other ancillary relief as the court may deem necessary to preserve the Association's ability to act under and enforce the provisions of the Association's Governing Documents;
- (3) any suit exclusively between Owners, in which the Association is not a Party; or in any suit between Owners in which the Association has been named as a defendant; or in any suit between Owners in which the Association has chosen to intervene;

- (4) any suit in which the statute of limitations will expire within less than six (6) months. However, although not obligated, the Association may agree to engage in alternative dispute resolution that is conducted simultaneously to litigation.

*References: C.R.S. § 38-33.3-209.5*

9. **Reserve Study and Funding Plan.** The Association is obligated to maintain, repair, and replace certain improvements within the community.

a. **Reserve Study**

- (1) The Association will conduct periodic Reserve studies based on an examination of the common areas and improvements and a financial analysis of the requisite Reserves as required by this policy.
- (2) Depending on available resources, the Association may either engage a third-party or may make in-house interim updates to a professional Reserve study and may adjust the schedule for updating the Reserve study. An update to a Reserve study may result from an on-site review of the property or an off-site review of the Reserve study and the Association's Governing Documents. The Board of Directors should consider the following factors when determining the schedule for interim updates to a Reserve study:
  - (a) Significant additions or replacements to the common areas since the last Reserve study;
  - (b) Wear and tear to common areas due to unseasonable weather or lack of maintenance;
  - (c) Technological or product development improvements that could result in cost savings;
  - (d) Substantial increases in cost of materials or labor;
  - (e) Any scheduled maintenance, repairs, or replacements that the Association deferred or accelerated;
  - (f) Whether Reserve income was received as planned;
  - (g) Whether Reserve expenditures were incurred as planned;
  - (h) The Association's selected method of funding Reserves.
- (3) The full Reserve study will consist of a physical analysis and a financial analysis. Interim updates may consist of a physical analysis, a financial analysis, or both. A physical analysis includes an inventory of all improvements that the Association is responsible for maintaining, repairing, replacing or improving and a visual inspection of those items to determine their existing condition. A financial analysis includes an evaluation of the estimated remaining life of an item, the adequacy of existing Reserve funds, projected future Reserve income, projected future Reserve needs, and the ability to meet future Reserve needs under the existing funding plan.

- (4) The Association has a Reserve study on file.
- (5) As of the date of the adoption of these Policies and Procedures, the Association plans to update its Reserve study at least once every three years.

b. **Funding Plan**

- (1) The Association does not allocate Reserve funds for improvements costing less than \$1,000.00 to repair or replace. Improvements costing less than \$1,000.00 to repair or replace will be funded out of the Operating Fund.
- (2) The Board of Directors will endeavor to maintain the Association's Reserve Fund balance at or above eighty percent (80%) of the recommended funding level for any given year by allocating a portion of regular annual assessments to the Reserve Fund. Should unforeseen circumstances result in the Reserve Fund balance falling below eighty percent (80%) of the recommended funding level, the Board will endeavor to bring the fund balance back to the eighty percent (80%) threshold within three (3) years by increasing the allocations from regular annual assessments, or by special assessments, or both.
- (3) The Association may elect to apply funds from its operating account to maintenance, repair or replacement costs otherwise covered by Reserve funds.
- (4) The Association will invest all Reserve funds in accordance with the Association's policy regarding investment of Reserve funds.

*References: C.R.S. § 38-33.3-209.5(1); HB 09-1359; Declaration § 6.08*

**10. Insurance Claims.** If an occurrence is made known to an Owner that results in damages or injury to an Owner or an Owner's Unit which may come within the Association's coverage as required in the Declaration or under Colorado law, the following procedures must be followed by the Owner:

- a. The Owner shall promptly notify his or her personal insurance carrier of the damage;
- b. In the event the Owner determines it is in the best interests to submit a claim under the Owner's insurance policies, the Owner shall follow the procedures set out in those insurance policies describing the insured's duties in the event of an occurrence, claim or suit;
- c. The Association may require the Owner to provide copies of the claim the Owner may make to his/her carrier, as well as copies of the adjustment or determination of that carrier as a condition before the Owner makes any claim on any of the Associations policies;

d. In the event the subject matter of the claim may fall within the Association's insurance responsibilities under the Declaration or Colorado law, the Owner shall promptly notify the Association of the damages by providing written notice to the Board setting forth the following:

- (1) The Owner's home address and phone number and Unit address, if different;
- (2) The time, place and circumstances of the event;
- (3) Identification of the damaged property; and
- (4) The names and addresses of the injured and witnesses, if applicable.

e. The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the Owner or the Association is responsible for insuring under the Declaration. The Association may inspect the damage in order to make this determination. The Association shall so notify the Owner in writing of its determination within 15 days of written notification of the damage to the Association.

f. If the Board determines in its sole discretion that the subject matter of the claim is within the Association's insurance obligations, the Board shall submit a claim to the Association's insurance carrier on behalf of the Owner in accordance with the requirements of the insurance policy. In that event, the Owner may not submit a claim to the Association's insurance carrier.

*References: C.R.S. § 10-40110.8(5); Declaration Article 9*

**11. Education of Board Members and Owners.** Annually, the Association may offer, at no cost to the Owners, some type of education as to the operations of the Association and the rights and responsibilities of the Owners, the Association, and the Board. The Board has the discretion to determine how to provide this education. For instance, it could be done at the annual meeting or through a mailing.

The Association also allows the Board to authorize the reimbursement of its Directors for the actual and necessary expenses incurred by attending educational classes and seminars. The subject matter must be specific to Colorado and the Colorado Common Interest Ownership Act. Such expenditure shall be deemed a Common Expense as the same is defined in the Declaration.

*References: C.R.S. § 38-33.3-209.7 C.R.S. § 38-33.3-209.6*

**12. Limitations on Patriotic Expressions.** So long as the display of the American Flag complies with the Federal Flag Code, Owners and/or Related Users are permitted to display an American flag which is no larger than 3' X 5' on the inside of a window or door of the unit, on the deck, or on the front entry way of the unit. When displayed on the deck or front entry way, the flag shall be mounted on a 5' spinner pole and attached to the deck/unit by way of non-rusting bracket/screws.

Owners and/or Related Users may also display a Service Flag with a star denoting the service of the Owner and/or Related User and/or a member of the Owner's and/or Related User's immediate family in the active or reserve military service during a time of war or armed conflict. These flags may be



displayed on the inside of a window or door of the unit. The maximum dimensions shall not exceed 9" X 16". Display of a service flag must comply with Section 4(l) of the Rules and Regulations.

*References: C.R.S. § 38-33.3-106.5; Rules and Regulations §4(l)*

**13. Limitations on Modifications to Unit.** Reasonable modifications to a unit or to common elements as necessary to afford a person with disabilities full use and enjoyment of the unit in accordance with the federal "Fair Housing Act of 1968", 42 U.S.C. sec. 3604 (f) (3) (A) are permitted. Any request for modifications must comply with Section 6(b) of the Rules and Regulations.

*References: C.R.S. § 38-33.3-106.5; Declaration § 7.07; Rules and Regulations § 6(b)*

**14. Limitations on Renewable Energy Generation Devices and Energy Efficient Measures.** Notwithstanding any provision in the Declaration, Bylaws, Policies, or Rules and Regulations of the Association to the contrary, the Association shall not effectively prohibit renewable energy generation devices, as defined in C.R.S. § 38-30-168, nor shall it effectively prohibit the installation or use of an energy efficiency measure (a device or structure that reduces the amount of energy derived from fossil fuels that is consumed by a residence or business located on the real property).

*References: C.R.S. §§ 38-33.3-106.7*

**15. Limitations on Political Signs**

a. The Association does permit the display of political signs by the Owner and/or Related User of a Unit within five (5) feet around the perimeter of the individual Townhome or in a window of the Unit; except that such signs are not permitted to be displayed earlier than 45 days before Election Day or later than seven (7) days after an election.

b. One political sign per political office is permitted and one sign for each ballot issue that is contested in a pending election is permitted. The maximum size of a political sign must comply with all applicable city, town, and county ordinances that regulate the size of political signs on commercial property and such sign must not exceed thirty-six (36) inches by forty-eight (48) inches.

c. A political sign is one that "carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall or a public official, or the passage of a ballot issue."

*References: C.R.S. § 38-33.3-106.5; Declaration § 7.07; Rules and Regulations § 4(i)*

**16. Parking.** Notwithstanding anything in the Declaration or Rules and Regulations to the contrary, the Association may not prohibit the parking of an emergency vehicle on its streets, the unit Owner's driveway, or its guest parking spaces when the vehicle is required by an Owner and/or Related User's employment and (1) the employer is an emergency service provider; (2) the vehicle weighs 10,000 pounds or less; (3) the vehicle has an official emblem; and (4) parking the vehicle does not block



emergency access or interfere with other Owner's and/or Related Users' use of Association street and driveways.

*References: C.R.S. § 38-33.3-106.5; Declaration Article 12 § 12.01(f); Rules and Regulations § 4(a) and 5*

**17. Association Review.** If requested by the Owners of at least one-third of the Association's Units, the Association must have a financial audit, which must be prepared using generally accepted accounting principles or the cash or tax basis of accounting. The financial audit must be performed by an independent public accountant as stated in Paragraph 5.8.4 of the Association Bylaws. The Association must make copies of the review available upon the request of an Owner no later than thirty days after completion.

*References: C.R.S. 38-33.3-303(4)(b)(III); Bylaws § 5.8.4*

**18. Annual Association Disclosure.** The Association shall provide an annual written notice to all Owners. Such notice shall include:

- a. The Association's name, physical address, and telephone number; as well as the name, physical address, and telephone number of any designated agent or management company for the Association;
- b. The name of the common interest community;
- c. The initial date of the recording of the Declaration, and where the Declaration is located in the county records (the reception number or book and page).

If the Association's address, designated agent, or management company changes, this information will be provided, in writing, within 90 days.

In addition to the annual written notice, the following documents shall be compiled within 90 days after the end of each fiscal year. This information will be maintained in a binder at the Association's principal place of business which is at the offices of the Association's Managing Agent where it is available for inspection and copying:

- a. The date the Association's fiscal year begins;
- b. The Association's operating budget for the current fiscal year;
- c. A list, organized by unit type, of the Association's current regular and special assessments;
- d. The Association's annual financial statement – including any money held in reserve for the fiscal year immediately preceding the current annual disclosure;
- e. the results of its most recent available financial audit or review;

f. a list of all Association insurance policies, including - but not limited to the following:

- (1) property
- (2) general liability
- (3) Association Director and Officer professional liability
- (4) fidelity policies

g. The insurance company names, policy limits, policy deductibles, additional named insured's, and expiration dates of all policies listed;

h. The Association's bylaws, articles, and rules and regulations;

i. The Board meeting and Owner meeting minutes for the fiscal year immediately preceding the current annual disclosure; and

j. The Association's responsible governance policies adopted under section 38-33.3-209.5, including but not limited to:

- (1) Investment of Reserve Fund
- (2) Enforcement of the Association's Governing Documents and Schedule of Fines
- (3) Collection of Unpaid Assessments
- (4) Conflicts of Interest
- (5) Conduct of Meetings
- (6) Inspection and Copying of Association Records
- (7) Adoption and Amendment of Policies, Procedures and Rules
- (8) Alternative Dispute Resolution
- (9) Reserve Study and Funding Plan
- (10) Insurance Claims
- (11) Education of Board Members and Owners
- (12) Limitations on Patriotic Expressions
- (13) Limitations on Modifications to Unit
- (14) Limitations on Renewable Energy Generation Devices and Energy Efficient Measures
- (15) Limitations on Political Signs
- (16) Parking
- (17) Association Review
- (18) Annual Association Disclosure
- (19) Seller's Disclosure

On reasonable notice, the Association must make this information readily available at no charge to an Owner at the Owner's convenience. The Association may disclose the items described herein by: posting on an internet webpage with notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be a Common Expense, as the same is defined in the Declaration.

*References: C.R.S. 38-33.3-209.4(1)*

**19. Seller's Disclosure.** At the request of an Owner engaged in the selling of a Unit, the Owner may authorize the Association to provide to the buyer all of the Association's governing and financial documents listed in the most available version of the purchase contract promulgated by the Colorado Real Estate Commission as of the contract's date. At the request of the Owner, access to the Association governing and financial documents will be provided by the Association's Managing Agent. The Association may charge its actual cost for providing copies of the documents requested by the seller.

In addition, upon request from the Owner or Owner's representative, the Association shall assist with a contract for the sale of residential real property to ensure the contract contains the disclosure requirement set forth in C.R.S. 38-35.7-102(1).

*References: C.R.S. 38-35.7-102; SB 1237*

## C. GENERAL

The Board may from time to time vary from the requirements set forth in these Policies and Procedures if the Board determines in its sole discretion that such variance is reasonable under the circumstances and consistent with the laws of the state of Colorado. These Policies and Procedures may be amended from time to time by the Board. The provisions of these Policies and Procedures shall be in addition to and supplement the terms and provisions of the Association's Governing Documents and the law of the State of Colorado. In the event of a conflict between these Policies and Procedures and any previously adopted Policy, Procedure, Rule or Regulation on the same subject matter, these Policies and Procedures shall control.

**SECRETARY'S CERTIFICATION:** The undersigned, being the Secretary of Longview Park Owners Association, a Colorado non-profit corporation, certifies that the foregoing Policies and Procedures were adopted by the Executive Board of the Association, at a duly called and held meeting of the Board on June 19, 2013, and in witness thereof, the undersigned has subscribed his/her name.

LONGVIEW PARK OWNERS ASSOCIATION, a Colorado non-profit corporation

By:   
Secretary