Stagecoach Meadows Homeowners Association

Second Amended and Restated Rules & Regulations and Responsible Governance Policies of Stagecoach Meadows Homeowners Association

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THE DRAFTING AND ADOPTION OF THESE ADDITIONAL RULES AND REGULATIONS, ARE COMPLIANT WITH POLICY VIII – ADOPT, AMEND, REPEAL RULES AND REGULATIONS. UPON APPROVAL BY THE MEMBERS OF NOT LESS THAN 51% VOTING IN FAVOR, THESE AMENDMENTS AND ADDITIONAL RULES AND REGULATIONS SHALL BE IN FULL FORCE AND EFFECT AND SUBJECT TO ENFORCEMENT BY THE ASSOCIATION....31

STAGECOACH MEADOWS HOMEOWNERS ASSOCIATION (SMHOA) SECOND AMENDED RULES AND REGULATIONS AND RESPONSIBLE GOVERNANCE POLICIES; Adopted X, 2026

These Rules and Regulations and Responsible Governance Policies are promulgated pursuant to authority provided in the Second Amended Declaration of Covenants, Conditions and Restrictions for Stagecoach Meadows Homeowners Association ("Declaration") and Colorado law.

Definitions. Unless otherwise specifically defined, initially capitalized terms herein have the definition ascribed to the term in the Declaration.

Rules and Regulations

1. Landscaping and Maintenance of Community Area. Landscaping may be installed by the Owner only on the part of each Lot where landscaping is permitted pursuant to the plat or other development approvals or limitations imposed on the Community Area by any governmental entity or by any Water Court Decree. The size of any landscaped area requiring irrigation shall not exceed 1000 square feet, shall be in conformance with the approved Augmentation Plan for the Community Area, and shall be approved by the DRC. The DRC may restrict or prohibit irrigation of Lots or Common Area in order to comply with any Water Court Decree, Augmentation Plan, or State Engineer requirements applicable to water use within the Community Area.

No property within the Community Area shall be permitted to fall into disrepair, and all property within the Community Area, including any fences, Improvements and landscaping thereon, shall be kept and maintained in a clean, attractive, and sightly condition and in good repair. Further, Owners agree to remove dead or dying landscape materials, taking into account weather conditions affecting the planting of replacement materials, which in the opinion of the DRC, with Board approval, is unsightly or causes undue danger of fire.

Maintenance, repair, and upkeep of each Lot shall be the responsibility of the Owner of the Lot. Maintenance, repair, and upkeep of Association Properties shall be the responsibility of the Association.

2. Weeds. Each Lot shall be kept free from noxious weeds and Owners agree to comply with the Grand County Noxious Weed Management Plan (CRS-35-5.5-105), which SMOA adopts as part of these Rules and Regulations. Owners are encouraged to contact the Grand County Department of Natural Resources for advice on eradication of such weeds.

3. Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub, or tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse, or debris of any kind shall be kept, stored, or allowed to accumulate on any Lot except within

an approved enclosed structure or appropriately screened from view and shall be disposed of at a landfill outside of the Community Area. Trash shall be stored in bear-proof containers while stored on a Lot prior to pick up and/or disposal at a landfill outside the Community Area.

4. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that not more than two (2) domesticated dogs, cats or other outdoor household pets (which must be restrained while unattended on a Lot or kept under sight and under voice control) and indoor pets such as domesticated birds or fish, will be permitted on a Lot. No horses may be kept on a Lot. No animals may be bred, boarded or cared for on a commercial basis within the Community Area. No animal of any kind shall be permitted on a Lot which, in the opinion of the Board of Directors, causes an unreasonable amount of noise or odor or is a nuisance. All animals shall be controlled by their Owner and shall not be allowed off the Owner's Lot except when properly leashed and/or the Owner or guardian is physically present and within sight and voice control of the animal. Each Owner of an animal kept on a Lot shall be financially responsible and liable for any damage caused by said animal to any Association Properties, to Lots owned by any other Persons, injuries to any Persons, other pets or otherwise. Animal waste on your lot, open space, and along the roadways when you walk your dog, shall be picked up and disposed of properly, and landscaping damaged by pets shall be replaced as soon as the landscaping is visually unattractive, dead or dying.

5. Drones. The use of drones or similar unmanned aerial devices or vehicles is limited to Member use on their personal Lot(s) and the airspace directly above their Lot(s). Members and their guests must comply with FAA regulations and any applicable local/state laws and must not violate the nuisance rules as defined in Sections 3.4 & 3.5 of the Covenants. Drones and unmanned device use are prohibited on all other parts of the Community Area and the airspace directly above, including Open Space and roads. The Board may approve exceptions for a specific delivery area or other uses.

6. Storage. No building materials, construction equipment, commercial vehicles, or equipment shall be stored or parked on any Lot or street, except temporarily during continuous construction of an Improvement or maintenance on a Lot, or those vehicles stipulated in CCIOA 38-33.3-106.5. Owners may park on their Lot, personal vehicles designated by the manufacturer as one ton or less displaying a company logo or advertising.

7. Vehicle Repairs. No maintenance, servicing, repair, dismantling, or repainting of any type of vehicle, boat, trailer, machine, or device may be carried on in excess of 5 days, except within a garage that is part of a residential structure or an approved enclosed structure which screens the sight and sound of the activity from the street and from other Lots. No such repairs shall be performed in exchange for compensation.

8. Storage of Materials on Lots. No Lot shall be used as storage of explosives, gasoline, or other volatile and/or incendiary materials or devices. Gasoline or fuel for Owner's lawn mower, snow blower, and the like may be maintained on an incidental basis on the Lot in an amount not to exceed twenty-five (25) gallons.

9. Parking within Community Area. Motor-homes, recreational vehicles, boats, snowmobiles, trailers, detached campers or camper shells, junked vehicles, disabled vehicles, or other similar vehicles, shall be parked and/or stored inside a garage or approved structure, or screened from Public View, and shall be prohibited from parking on streets or on portions of Lots outside of driveways. All vehicles parked on Lots need to be in the driveway or designated parking areas identified during the construction and/or Improvement application process, approved by the DRC. Vehicle parking on streets is allowed for no more than 24 continuous hours, or as limited in this section or in "Storage" above, unless preapproved by the Board.

10. Motorized Vehicles. No Motorized vehicles may be driven on the open space areas (Tracts A-F, H-N) unless specifically approved by the Board. ATVs, snowmobiles and other off-road vehicles or unlicensed vehicles shall not be driven within the Community Area, including the roads, except to plow driveways, or temporarily during continuous construction of an Improvement or maintenance on a Lot.

11. Open Space. The HOA must maintain and provide reasonable Member access to all Open Space areas. Any Member, or Member guest may use Open Space. Open Space is not available to the public except for Board of Director approved events.

Open Space is comprised of Tracts A-F & H-N and includes the trails, wetlands, pond and barn.

The Association shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of any Open Space, including the trails, pond and barn, within or adjacent to these areas.

The rules and regulations associated to Open Space use are intended as a mechanism for maintaining and enhancing the overall aesthetics of Stagecoach Meadows, they do not create any duty to any person.

All Open Space is "use at your own risk" relieving the Association of liability.

When using any Open Space for an event where liquor is served, the Member must verify their insurance coverage includes host liquor liability protection. Members should provide verification of coverage in an amount not less than $1,000,000 naming the association as an additional insured.

Motorized vehicles of any sort are not allowed on any Open Space area without the prior approval of the Board of Directors. No capturing, trapping or killing of wildlife on Open

Space is allowed, except in the circumstance posing an imminent threat to the safety of persons. Any activities which materially disturb or destroy the vegetation, wildlife and wetlands are not allowed.

11.1. Pond Usage. No Swimming, wading or body contact to the water is allowed per our reservoir agreement. Fishing is permitted but limited to catch and release only March through August. Fish can be kept September through February. Barbless hooks only during catch and release periods. Use pliers to crimp the barb down. No use of any motorized floating device is allowed. Children under the age of 14 must always be supervised by a parent or guardian 18 years of age or over.

11.2. Barn Usage. Any Member who wishes to store personal items in the Barn must have prior written approval from the Board of Directors. Any personal Member items stored in the Barn must be locked to avoid unauthorized use, and any Member storing such items will be responsible for any / all liabilities including misuse, damage, injury, theft, etc. Members who wish to use the Pond / Barn area for an event must obtain prior approval from the Board of Directors so Members can be advised the area is reserved to avoid conflicts between Members general use and a reserved event use. The Pond / Barn area use is allowed from sunrise to sunset due to proximity of Member Lots.

11.3. Trails. Walking, Running, Snowshoeing and Cross-Country skiing are allowed on the trails. Non-motorized biking is allowed on sections of the trails designated for this use by the Board. Biking may not be allowed on all sections of the trails due to potential damage in the protected wetlands areas. Stay within the designated trail area since some trails border private Member Lots.

Responsible Governance Policies

Policy I – Fees & Collection.

1. Due Date. The annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable upon receipt of the invoice. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 30 days of the due date shall incur interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the Lot shall also be charged any costs incurred by the Association in giving notice of such acceleration.

2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.

3. Interest on Delinquent Installments. The Association shall impose interest from the date due at the rate of 8% per annum on the amount owed for each Owner who fails to timely pay their quarterly installment of the annual assessment within 30 days of the due date. This interest shall be a "common expense" for each delinquent Owner.

4. Personal Obligation for Interest. The interest shall be the personal obligation of the Owner(s) of the Lot for which such assessment or installment is unpaid. All interest shall be due and payable immediately, upon demand, for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed $20, 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. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. 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(s) of the Lot 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 Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. 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 (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the quarterly installment of the annual assessment is not timely made by the due date.

6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner. There shall be no charge for a statement of account setting forth the amount of any unpaid assessments or other charges due with respect to a Lot, requested by an Owner. With respect to any notices or other documentation the Association sends an Owner through certified mail pursuant to this provision or law, the Association may charge the Owner an amount not to exceed the actual cost of the certified mail.

7. Payment Plan. Prior to commencing legal action to foreclose a lien, the Association shall offer any Owner who is past due and delinquent in the payment of any assessment, or any other charges, a payment plan to pay of the past due and delinquent amount in equal installments over a period of at least eighteen (18) months. Under the repayment plan, the Owner may choose the amount to be paid each month, so long as each payment is at least $25.00 until the balance of the amount owed is less than $25.00. If thirty days after the Association has offered a payment plan, the Owner has declined the repayment plan, or the Owner enters into a payment plan and fails to comply with the terms of the payment plan by failing to pay at least three of the monthly installments within fifteen days after the monthly installments were due, the Association may pursue legal action against the Owner. The Owner must also remain current with regular assessments as they come due during the repayment plan. The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan.

8. Attorneys' Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of the assessments or other charges due the Association from a delinquent Owner. The reasonable attorneys' fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

9. Collection Process.

a) Notice of Delinquency. The Association shall first contact the Owner to alert the Owner of a delinquency. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the owner a Notice of Delinquency specifying:

i. The total amount due, with an accounting of how the total was determined;

ii. Whether the opportunity to enter into a payment plan exists, and instructions for contacting the Association to enter into such a payment plan;

iii. The name and contact information for the individual that the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt, which copy of ledger must be provided to the Owner no later than seven business

days after receipt of the Owner's request; and

iv. What action is required to cure the delinquency and stating that failure to cure the delinquency within thirty (30) days may result in the Owner's 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 Lot for unpaid assessments, the sale of the Lot at auction to pay delinquent assessments, which could result in the Owner losing some or all of the Owner's equity in the Lot, or other remedies under Colorado law; and

v. Whether the delinquency concerns unpaid assessments; unpaid fines, fees or charges; or both unpaid assessments and unpaid fines, fees or charges; and if the Notice of Delinquency concerns unpaid assessments, the Notice of Delinquency must notify the Owner that the unpaid assessments may lead to foreclosure; and

vi. A description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's cure process; and

vii. A description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to small claims court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the Declaration, Bylaws, Covenants, or other governing documents of the Association; and

viii. There is free online information through the HOA Information and Resource Center created in Section 12-10-801(1), C.R.S. relating to the collection of assessments, including the Association's ability to foreclose a lien for unpaid assessments and force the sale of the Lot. It can be accessed as follows: Search for "Colorado Division of Real Estate." Then, click on "HOA Center." There is online information from the Federal Department of Housing and Urban Development concerning credit counseling before foreclosure that may be accessed through a link on the Department of Local Affair's website.

b) Owner Contact and Delivery of Notice. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association will:

i. Send a Notice of Delinquency by certified mail, return receipt requested, and

ii. In addition, the Association must contact the Owner by two of the following means:

A. Telephone call to a telephone number that the Association has on

file because the Owner or designated contact has provided the number to the Association. If the Association attempts to contact the Owner or designated contact by telephone but is unable to contact the Owner or designated contact, the Association shall, if possible, leave a voice message of the Owner or designated contact.

B. Text message to a cellular number that the Association has on file because the Owner has provided the cellular number to the Association;

C. Email to an email address that the Association has on file because the Owner has provided the email address to the Association; and

D. By regular mail, if the Owner or designated contact has not provided a telephone number, cellular number, or email address as additional means by which to receive notices.

iii. Notices from the Association will be sent in English; provided, however, that the Owner may send written notice to the Association with an alternate language preference. The Association will attempt to provide an accurate translation of the original English version, but due to nuances in translating to a foreign language, slight differences may exist.

iv. An Owner may identify another person to serve as designated contact for the Owner, in which case both the Owner and designated contact shall receive notices.

c) Before a delinquent account is referred to a collection agency or attorney, a majority of the Board must vote to refer the matter to a collection agency or attorney for legal action in a recorded vote at a meeting conducted in executive session pursuant to Section 38-33.3-308(4)(e) C.R.S. The Owner who is the subject of the referral of delinquency may request and receive the results of any vote taken at the relevant meeting.

d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

10. Record of Notification. The Association shall maintain a record of any contacts, including type of communication and date and time of the communication.

11. Right to Cure. A delinquency may be cured by: (1) the payment in full of all past due assessments, fines, fees, interest, penalties and attorneys' fees and costs incurred within thirty (30) days of the Notice of Delinquency to avoid further collection action; (2) by entering into a written payment plan satisfactory to the Association within thirty (30) days of the Notice of Delinquency and staying in compliance with the terms and conditions of the payment plan to avoid further collection action; and/or (3) the payment in full of all past due assessments, fines, fees, interest, penalties and attorneys' fees, and costs incurred at any time after further

collection action has been commenced. In any event, the Owner must timely pay current assessments as well as the arrearages as hereinabove provided for.

12. Monthly Follow Up. On a monthly basis and by first-class mail and, if the Association has the relevant e-mail address, by e-mail, the Association shall send to each Owner who has any outstanding balance owed to the Association an itemized list of all assessments, fines, fees, and charges that the Owner owes to the Association. The Association shall send the itemized list to the Owner in English or in any language for which the Owner has indicated a preference for and to any designated contact for the Owner. If the account has been turned over to the Association's attorney, such request may be handled through the attorney.

13. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the Association, the management company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

14. Referral of Delinquent Accounts to Attorneys.

a) At least thirty days before initiating a legal action to foreclose an Association lien, the Association shall provide written and electronic notice to the Owner or the Owner's designee that:

i. The Owner has the right to participate in credit counseling at the Owner's expense and that information relating to obtaining credit counseling and the consequences of foreclosure by an Association is available through the HOA Information and Resource Center created in Section 12-10-801 (1) or through a link to the Federal Department of Housing and Urban Development on the Department of Local Affairs' website; and

ii. Credit counseling may include:

iii. Discussion of amounts owed to the Association in unpaid assessments and related costs;

iv. The impact of foreclosure on the Owner's credit;

v. Additional debt that may be incurred by the Owner if foreclosure by the Association is completed;

vi. Options available to the Owner to retain title to the Lot or to remain in the Lot; and

vii. Any other options that may be available to the Owner to avoid foreclosure.

b) To foreclose a lien described in this section:

(a) The association must have obtained a personal judgment against the unit owner in a civil action to collect the amounts due;
(b) The association must have attempted to bring a civil action against the unit owner but was prevented by the death of or incapacity of the unit owner;
(c) The association must have attempted to bring a civil action against the unit owner and made a reasonable attempt to serve the unit owner but the association was unable to serve the unit owner within one hundred eighty days; or
(d) The unit owner must have filed a bankruptcy petition or must have an involuntary bankruptcy petition filed against the unit owner, and the amount due the association is subject to the bankruptcy civil action.

c) Subsection (b) of this section:

(a) Applies exclusively to a unit owned by an individual who occupies the unit as the unit owner's principal residence, unless the unit is used for workforce housing;
(b) Does not apply to a unit owned by an entity other than an individual or a unit that is not occupied as the unit owner's principal residence, unless the unit is used for workforce housing; and
(c) Applies to a unit used for workforce housing.

d) At least thirty days before initiating legal action to foreclose a lien under this section, the association shall provide written and electronic notice to the unit owner or the unit owner's designee that the unit owner has the right to engage in mediation prior to litigation. To initiate mediation, the unit owner must respond within thirty days after the date of the notice.

(i) To participate in mediation, both parties must:

Select a mutually agreeable mediator knowledgeable about C.R.S. 38-33.3-101, *et.seq.* and common interest community disputes; and
Schedule the mediation session within thirty days after the notice provided in accordance with subsection 38-33.3-316 (10.7)(a), C.R.S.

(ii) If a unit owner fails to comply with this section within thirty days after the notice provided in accordance herewith, this subsection does not bar the association from filing a civil action, which is subject to the rest of this section.

(iii) At least thirty days before initiating legal action to foreclose a lien under this section, the association shall provide written and electronic notice to all lienholders identified on the unit owner property records of the pending legal action for foreclosure. The notice must include the amount of any outstanding assessment and other money owed.

e) In addition to the notifications or information that the Association is required pursuant to Section 38-33.3-209.5, C.R.S. to provide to an Owner prior to initiating a legal action, at least thirty days before initiating a legal action to foreclose an Association lien, the Association

shall provide notice to the Owner of the Association's intent to foreclose the lien.

(i.) The Association shall send the notice of intent to foreclose the Association lien to the Owner or the Owner's designated contact, if the Owner has identified another individual to serve as a designated contact pursuant to Section 38-33.3-209.5 (1.7), C.R.S. If the Owner or the Owner's designated contact has notified the Association of a preference to receive notices in a language other than English pursuant to Section 38-33.3-209.5 (1.7)(a)(i), C.R.S., the notice must be sent in the preferred language.

(ii.) For purposes of providing the Association's notice of intent to foreclose to the Owner, if the Association does not already have the information, prior to sending the notice, the Association shall request from the Owner or the Owner's designated contact, a telephone number for phone calls, a cellular number for texts, and an email address for emails.

(iii.) The Association shall send the notice of intent to foreclose by certified mail, return receipt requested, and by at least two of the following means:

A. Telephone call to a telephone number that the Association has on file because the Owner or designated contact has provided the number to the Association. If the Association attempts to contact the Owner or designated contact by telephone but is unable to contact the Owner or designated contact, the Association shall, if possible, leave a voice message for the Owner or designated contact.

B. Text message to a cellular number that the Association has on file because the Owner or designated contact has provided the cellular number to the Association;

C. Email to an email address that the Association has on file because the Owner or designated contact has provided the email address to the Association; or

D. Regular mail, if the Owner or designated contact has not provided a telephone number, cellular number, or email address as additional means by which to receive notices.

f) The notice of intent to foreclose the Association lien must inform the Owner that:

i. The Association intends to file a lawsuit against the Owner's property and that, if the court forecloses on the lien, the court will order the sale of the Lot at auction to pay the delinquent assessments due to the Association;

ii. Based on the sale price of the Lot at auction, the Owner could lose some or all of the Owner's equity in the Lot;

iii. The Owner has a right to participate in credit counseling prior to foreclosure;

iv. The Owner has a right to participate in mediation with the Association prior to foreclosure; and

v. Pursuant to Section 38-33.3-209.5 (5)(a)(v)(e), C.R.S., the Owner has access to, and instructions on how to access, free online information through the HOA Information and Resources Center created in Section 12-10-801 (1), C.R.S. relating to foreclosure by an Association.

g) No later than five business days after the Association initiates legal action to foreclose a lien described in this Section, the Association shall provide written and electronic notice to all lienholders identified in the Owner property records of:

i. The right to cure the nonpayment pursuant to section 38-38-104, C.R.S.; and

ii. The right of the Owner to file a motion to stay the sale of the property at auction pursuant to Section 38-38-109.5, C.R.S.

h) As used herein, unless the context otherwise requires, "assessment" means a payment for common expense obligations of Owners based on a periodic budget adopted by the Association, or a payment for limited common elements of Owners, and includes fees specific to delinquent payments and reasonable collection costs for collecting delinquent payments.

15. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the management company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

a) Filing of a suit against the delinquent Owner for a money judgment. A party seeking to enforce rights and responsibilities arising under the Declaration, Bylaws or other governing documents of an Association in relation to disputes arising from assessments, fines, or fees owed to the Association and for which the amount at issue does not exceed seven thousand five hundred dollars, exclusive of interest and costs, may file a claim in small claims court pursuant to section §13-6-403 (1)(b)(I), C.R.S.

b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors. The Association shall not foreclose a lien if the debt securing the lien consists only of fines, collections costs or attorneys' fees the association has incurred and that are only associated with assessed fines;

c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and

d) Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

16. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. 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. The purpose

of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.

17. Rental Interception. To the extent permitted by the Declaration, the Association may, without court order, notify the tenant of any Lot where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.

18. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. 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.

19. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances, so long as such extensions or modifications do not jeopardize the Association’s rights and remedies and are consistent with law.

20. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

21. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However,

in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

22. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, interest, return check charges, attorneys' fees and/or costs as described and imposed by this Policy.

23. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

24. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

25. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

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

27. Amendment. This Policy may be amended from time to time by the Board of Directors.

Policy II – Investment of Reserves.

The purpose of this policy is to institute proper guidelines for the ongoing management of the Association's investment of its reserve funds. Funding for replacement is planned and projected to be from the following sources; (a) cash on hand, to include the operating and reserve accounts, (b) any and all assessments against Members, (c) a loan obtained by the Association or any combination thereof.

Investment of Reserves: The Board of Directors, or its agents, shall invest reserve funds in either Capital or Common funds designed to generate revenue that will accrue to the Capital or Common Fund account balance pursuant to the following goals, criteria and policies, listed in order of importance;

1. Preservation and safety of principal; Promote and ensure the preservation of the Capital or Common Funds principal. Investments are limited to FDIC insured instruments or money market investments.
2. Liquidity and Accessibility; Maturity dates will be structured to ensure availability of assets for expected and unexpected expenditures.
3. Minimal Cost; Investment costs (redemption fees, commissions and other transaction costs) shall be minimized.
4. Diversity; Mitigate the effects of interest rate volatility upon Capital or Common Fund assets; and
5. Return; Capital or Common funds should be invested to see the highest level of return.

Notwithstanding the foregoing, the Board of Directors, or its agents, may invest Capital or Common funds in specific financial instruments if approved by Members holding at least fifty-one percent (51%) of the total allocated voting rights of the Association.

Policy III - Association Reserve Study.

The Association is not required to have a Reserve Study.

The Association has elected to establish the following guidelines;

1. The Board of Directors shall have a reserve study prepared for the private roads within the common areas, and this study shall be evaluated and updated every 5 years at a minimum;

2. The Board of Directors will determine if, and when any other reserve studies might be necessary, and the timing of any such study;

3. Reserve studies may be performed by an outside consultant or may be prepared internally;

4. Reserve studies are preferred to be based on a physical examination of the Community by the person preparing the study.

5. The Association will have the Road Fund evaluated at a minimum of every five (5) years.

Policy IV - Conflicting Interest Transaction.

1. **Conflicting Interest Transaction.**
   A contract, transaction, or other financial relationship:

   a) between the Association and an Officer or Board Member; or
   b) between the Association and a party related to an Officer or Board Member; or
   c) between the Association and an entity in which an Officer or Board Member is also a director or officer or has a financial interest.

   Reimbursement of an Officer or Director for expenses incurred in the pursuit of authorized Association business shall not be deemed a Conflicting Interest Transaction and shall be subject to normal Board approval procedures.

   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 a Member 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 of a committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Board Member's vote is counted for such purpose, provided;

   b) The material facts as to the Board Member's relationship or interest and, as to the conflicting interest transaction, must be disclosed by the Board Member at an open meeting prior to discussion and a vote, and/or are known to the Board or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Board Members, even though the disinterested Board Members are less than a quorum; or

   c) Common or 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.

For purposes of this Policy, a party related to a Board Member shall mean a spouse or in-law, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board Member which a party related to a 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.

Loans Prohibited.

No loans shall be made by the Association to any Board Member or Officer. 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 and compound interest at the WSJ Current Prime Rate plus 300 basis points until the repayment thereof.

Violations.

Violation of these requirements shall entitle the Association, or any Member thereof to rescind a transaction with the Association and to refuse any payment due from the Association for such transaction. To the extent payment has been made by the Association, the Association or any Member thereof shall be entitled to seek recovery of such payment without regard to any value received by the Association.

Policy V - Inspection and Copying of Records.

As referenced in the Bylaws, a Member or his/her authorized agent is entitled to inspect and copy, at the Members' expense, during regular business hours, at a reasonable location specified by the Association, any of the records or papers or electronic records of the Association (except as specifically limited or excluded by Section 3 below) if the Member gives the Association written demand at least ten (10) business days before the date on which the Member wishes to inspect and copy such records and, the records do not pertain to information which is outside the records allowed by the Colorado Common Interest Ownership Act.

1. **Limitations & Exclusions:** A membership list or any part thereof may not be obtained or used by any person for:
    a. Any purpose unrelated to a Member's interest as a Member;
    b. To solicit money or property unless such money or property will be used solely to solicit the votes of the Members in an election to be held by the Association;
    c. Any commercial purpose; or
    d. Sold to or purchased by any person.

2. **Exclusions:** The following records and documents may be kept confidential by the Association;
    a. Attorney-Client Confidential Documents.
    b. Disclosure of information in violation to law.
    c. Personal identification and account information, telephone numbers, driver license numbers and social security numbers.
    d. Personnel Confidential Documents.
    e. Applicable Law, documents that are confidential under constitutional, statutory or judicially imposed requirement.
    f. Individual Privacy, documents which the disclosure of which would constitute an unwarranted invasion of individual privacy are confidential.
    g. Personal email addresses, unless the Member has provided written authorization allowing distribution to HOA Members.

3. **Copy and other Document Fees:** The Association may impose a reasonable charge, covering the costs for copies of any documents the Association provides to a Member. The cost of the copies may not exceed the actual cost for the copies as incurred by the Association.

If a Member requests copies of the Association documents or electronic records which are not in the possession of the Association, the Member is responsible for whatever fees and costs are imposed by the entity who has to produce the documents (CPA, Attorney, etc.)

holding such records for copy and related costs, including but not limited to, labor, materials and postage.

If a Member requests a copy of an Association document which must be retrieved from archives, compiled, generated, certified or authenticated in any way, the Member is responsible for all fees and cost 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.

Policy VI – Conduct of Meetings.

1. Meetings of the Members shall be held at such times and locations as may be provided in the Association's Declaration, Bylaws, Articles of Incorporation, Declaration or Rules and Regulations ("Association Documents") or by applicable Colorado statutes, but at least once annually.

2. Only Members in good standing are eligible to vote. For purposes of this policy, "good standing," shall mean all of the following: (i) ownership of a Lot (ii) no outstanding amounts due to the Association

3. Notice of Members meetings shall be distributed as may be provided in the Association Documents or by applicable Colorado statutes.

4. The Association's Board shall determine the agendas for Board meetings, subject to any requirements in the Association Documents, and distribute such agendas with notices of the meetings when required.

5. The President of the Association's Board or such other person as may be designated by the President, shall preside over all meetings.

6. Items of business which require a vote must be presented by Motion and such Motion seconded, prior to voting. Records must be maintained to reflect number in favor, number opposed, number abstaining. Motion passes or is not passed.

7. In the event multiple people are competing for Board positions, voting by Members to fill positions on the Board shall be by simple majority. Any other matter put before the assembly for a vote shall follow the rules outlined for voting in the Association Documents.
8. Unless otherwise provided by the Association 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.

9. All regular and special meetings of the Board of Directors are open to attendance by all residential Members or their representatives. Board Meetings must provide for the following;

    a) Any Member wishing to speak at the meeting will notify the Secretary, or other Board Officer, prior to the start of the meeting;
    b) The board may place reasonable time restrictions on persons speaking during the meeting.

10. For each matter upon which the Board and/or committee anticipates taking action, a motion must be made stating the proposed action, followed by discussion.

11. At the conclusion of discussion, but prior to vote on the motion, any Member may request to be heard on the matter discussed.

12. 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.

13. Prior to holding an executive session, the President or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above.

14. 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.

Policy VII - Enforcement of the Declaration, Bylaws, Rules and Regulations.

1. **Notice of Alleged Violation.** Notice of Alleged Violation of any provision of the Association Documents shall be provided to the applicable Member as soon as is reasonably practicable after the Board's receipt of such violation. The Board may also, at its option, provide a copy of such Notice to any Non-Member violator. The Notice shall describe the nature of the violation, the Member's right to request a hearing, and shall further state that the Board may seek to protect its rights as they are specified in the Association Documents.

2. ~~**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 electronic means or personal delivery to the Member; or by U.S. Mail, postage prepaid, addressed to the last registered address of the Member contained in the Association's records; or as required by the Act.~~
   b) ~~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 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 mailed shall be deemed received on the fifth day following the date of mailing.~~

~~**Request for Hearing.** If a Member requests a hearing to challenge or contest any alleged violation and possible fine, the Member must request such hearing, in writing, within sixty (60) days from the date of receipt of the Notice of Alleged Violation or other written notice addressed to the Member. The request for hearing shall describe the grounds and basis for challenging the decision and/or alleged violation. If a hearing is not requested within the sixty (60) day period, the Board shall determine if there was a violation, and if so, may assess a fine within the guidelines contained in this Policy and Procedure within sixty (60) days of the expiration of the sixty (60) day period.~~

~~**Board to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant to these Policy and Procedures.~~

~~**Conflicts.** If any Board Member is incapable of objective and disinterested consideration of the matter, the Board Member 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, but shall not be required to appoint, an officer or Association Member,~~

~~in good standing, to serve as a voting Member of the hearing board. A Board Member's prior participation in the action causing the hearing shall not be grounds for disqualification.~~

~~**Hearing.** The Board shall inform the Member of the scheduled time, place and date of the hearing, within thirty (30) days of the request for 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. Neither the complaining parties nor the Member must 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. All Members of the Association will be provided seven (7) days' notice of all hearings, and all hearings shall be open to attendance by all Members of the Association.~~

~~**Decision.** After all testimony and other evidence has 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 twenty (20) days after the hearing. A decision, either a finding for or against the Member, shall be by a majority of the Members of the hearing board present at the hearing. If no majority is achieved, the Member shall be deemed to have prevailed. 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 Documents, the Notice of Finding of Violation may be released by the Association issuing and recording a Release of Notice of Finding of Violation.~~

~~**Fine Schedule.** Unless otherwise provided in the Rules and Regulations, any violation of the Association Documents will subject the Member to a reasonable fine imposed by the Association in accordance with the procedure in this Policy:~~

~~i. Notice of Violation: Written warning letter or posting of notice.~~

~~ii. Fines will range from $25 to $500 and shall be determined by the hearing board for each finding of a violation based on the type, severity, repetition and circumstances of each violation.~~

~~Nothing herein shall relieve a party who does not request a hearing, or any Member who is dissatisfied with the decision of the Board following a hearing from following the Policy on Alternative Dispute Resolution set forth below before commencing any legal action. A Member who does not request a hearing or commence ADR within the sixty (6) day time limits for requesting a hearing set forth above shall waive the right to contest the disputed action through legal action or any other means.~~

~~**Association Right to Cure.** Owners in violation of any of these Rules and Regulations, after exhaustion or waiver of hearing and ADR right, will be notified in writing of the violation, and given a 45 day right to cure the violation. An Owner's failure to cure said violation shall be cause for the Association, in discretion of the Board, to enter on the Lot of the Owner and cure the violation or cause compliance with this provision and to levy and collect a Reimbursement Assessment for the costs and expenses of the Association in so doing; provided, however, that there shall be no entry into the interior of an Improvement intended for human occupancy without the consent of the Owner thereof unless a clear emergency exists. If the Board determines, in its sole discretion, that a violation of the Association Documents by an Owner presents a clear and present danger to other Owners or the Community as a whole, the Association may, after 48 hours-notice to the Owner in person, or by email or phone numbers provided to the Association by the Owner, in the Association's files, immediately enter the Lot and cure the violation and levy a Reimbursement Assessment for the costs and expenses of curing the violation, or seek emergency legal relief compelling the Owner in violation to cure the violation. Any Owner disputing the Associations' cure of the violation and a levy of a Reimbursement Assessment shall do so through the hearing and/or Alternative Dispute Resolution procedures set forth herein.~~

Threats to Public Safety or Health

If the Association deems any violation of the Declaration, Bylaws, covenants, or other Governing Documents to be a reasonable threat to the public safety or health, the Association shall provide the Member written notice, in English and in any language that the Member has indicated a preference for, of the violation informing the Member they have seventy-two hours to cure the violation or the Association may fine the Member.

If, after an inspection of the Lot, the Association determines that the Member has not cured the violation within seventy-two hours after receiving the notice, the Association may impose fines on the Member every other day and may take legal action against the Member for the violation; except that the Association shall not pursue foreclosure against the Member based on fines owed.

No Threat to Public Safety or Health.

If the Association reasonably determines that a Member committed a violation of the Declaration, Bylaws, covenants, or other Governing Documents of the Association, other than a violation that threatens the public safety or health, the Association shall, through certified mail, return receipt requested, provide the Member written notice, in English and in any language that the Member has indicated a preference for, of the violation informing the Member they have thirty days to cure the violation or the Association, after conducting an inspection and determining that the Member has not cured the violation, may fine the Member; however, the total amount of fines imposed for the violation may not exceed five hundred dollars ($500.00).

Cure Periods.

The Association shall grant a member two consecutive thirty-day periods to cure a violation before the Association may take legal action against the Member for the violation. The Association shall not pursue foreclosure against the Member based on fines owed.

If the Member cures the violation within the period to cure afforded the Member, the Member may notify the Association of the cure and, if the Member sends with the notice visual evidence that the violation has been cured, the violation is deemed cured on the date that the Member sends the notice. If the Members' notice does not include visual evidence that the violation has been cured, the Association shall inspect the Lot as soon as practicable to determine if the violation has been cured.

If the Association does not receive notice from the Member that the violation has been cured, the Association shall inspect the Lot within seven days after the expiration of the thirty-day cure period to determine if the violation has been cured. If, after the inspection and whether or not the Association received notice from the Lot Owner that the violation was cured, the Association determines that the violation has not been cured:

A second thirty-day period to cure commences if only one thirty-day period to cure has elapsed; or

The Association may take legal action pursuant to this section if two thirty-day periods have elapsed.

Once the Member cures a violation, the Association shall notify the Member, in English and in any language that the Member has indicated a preference for they will not be furthered fined with regards to the violation and of any outstanding fine balance owned to the Association.

Fines.

Fines may be imposed, after notice and hearing, for violations in accordance with the procedures specified in the Association's Bylaws or Rules and Regulations, which generally provide as follows:

Unless a different fine or penalty is specifically set forth in a separate schedule or provision of the Governing Documents, the Board of Directors may assess fines for violations in accordance with the following fine schedule:

First violation:	$50
Second violation [of same rule or covenant]:	$100
Third and fourth violations [of same rule or covenant]:	$175
Total fines shall not exceed	$500

Prior to levying a fine, the Board or a committee or person designated by the Board shall conduct a fair and impartial fact-finding process concerning whether the alleged violation actually occurred and whether the Member is the one who should be held responsible for the violation, and will give

30 days' notice to the Member alleged to be in violation, with the opportunity for the Member to request a hearing before an impartial decision maker regarding the violation.

As used herein, "impartial decision maker" means 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.

The Board, committee, or person designated by the Board shall give the Member notice regarding the nature of the alleged violation, the action or actions required to cure the alleged violation, and the timeline for the fair and impartial fact-finding, including a hearing. The notice shall specify that fines may be levied every other day for violations that threaten public safety or health and are continuing in nature.

If, as a result of the fact-finding process, it is determined that the Member should not be held responsible for the alleged violation, the Association shall not allocate to the Members account with the Association any of the Association's costs or attorneys' fees incurred in asserting or hearing the claim. Notwithstanding any provision in the Declaration, Bylaws, or Rules and Regulations of the Association to the contrary, a Member shall not be deemed to have consented to pay such costs or fees.

Policy VIII - Adopt, Amend, Repeal Rules and Regulations.

Subject to any requirements of the Declaration and this Policy, the Board of Directors of the Association may, from time-to-time, adopt certain Rules and Regulations and Responsible Governance Policies necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Member participation in the development of such policies and to ensure such policies are necessary and properly organized, the Association shall follow the guidelines below;

1. **Drafting Procedure.** The Board shall consider the following in drafting policy, rules and regulations
   (a) Whether the Association Documents or Colorado law grants the Board the authority to adopt such policy, rule or regulation.
   (b) The need for such policy, rule or regulation based upon the scope and importance of the issue and whether the Association Documents adequately address the issue.
   (c) The immediate and long-term impact and implications of the policy, rule or regulation.

2. **Adoption Procedure.** The Board, or a committee appointed by the Board will draft the policy, rule or regulation. The policy, rule or regulation will be reviewed by the Members for a period of not less than ten (10) business days. After the review period, the board shall hold a meeting to vote on the policy.

   Adoption of Rules and Regulations shall require obtaining fifty-one percent (51%) approval of the total allocated voting rights referenced in Exhibit D, attached to the Declaration, by the Members.

   Pursuant to authority provided in the Declaration and Colorado law, the Board of Directors may, in its sole discretion, adopt and amend Responsible Governance Policies, only as may be required to legally comply with changes to the Act, or Colorado Statutes. All other changes to the Governance Policies will follow the adoption procedures as specified in the section above.

   Upon approval by the Members and/or the Board of Directors, amended, new, and/or repealed Responsible Governance Policies and Rules & Regulations shall be in full force and effect and subject to enforcement by the Association immediately following publication to Members.

Policy IX – Alternative Dispute Resolution.

1. **Alternative Dispute Resolution Procedures.** Alternative methods of dispute resolution to avoid litigation encouraged by the Association include negotiation and mediation. The Association encourages Members or residents with disputes to resolve such disputes without court proceedings. The Association will take reasonable steps to facilitate negotiation or mediation between Members and/or residents but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.

   (a) **Required dispute resolution procedure**. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or managing agent of the Association, a Member must request and attend a hearing with the Board of Directors. Any such request will be in writing and will be either personally delivered, or sent Certified, Return Receipt Mail to any Member of the Board of Directors or the Association's property manager. The Member, in such request and at the hearing, must make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and will give the Board a reasonable opportunity to address the Member's grievance. Upon receiving a request for a hearing, the Board will give notice of the date, time and place of the hearing to the person requesting the hearing. The Board will schedule this hearing for a date not less than 30 days from the date of receipt of the request. If the dispute cannot be resolved, the parties may

utilize the discretionary mediation procedure set forth below but will not be required to do so.

(b) **Discretionary dispute resolution procedures**. The procedures set forth below may be used in disputes between Members and residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Members prior to filing litigation.

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

(ii) Mediation. If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they will participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation. The mediator does not have power to decide how to resolve the dispute but will assist the parties in making that decision using accepted mediation techniques. Mediators will be selected under the auspices of an independent mediation service designated by the Association, the Colorado Chapter of the Community Association Institute, or such other independent agency providing mediation services upon which the Parties may mutually agree. The mediator selected shall notify the Parties that mediation has been requested and arrange mediation between the Parties. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

The drafting and adoption of these additional rules and regulations, are compliant with Policy VIII – Adopt, Amend, Repeal Rules and Regulations. Upon approval by the Members of not less than 51% voting in favor, these amendments and additional Rules and Regulations shall be in full force and effect and subject to enforcement by the Association.

Approved for adoption by the undersigned this _____, day of October 2026.

Signature:

_____

Board of Directors, President (Printed name & signature)

Signature:

_____

Board of Directors, Vice-President (Printed name & signature)

Signature:

_____

Board of Directors, Secretary & Treasurer (Printed name & signature)