

# **Rules and Governance Policies**

## **Uplands Residential Community Association, Inc.**

Adopted: \_\_\_\_\_, 202\_\_  
Effective: \_\_\_\_\_, 202\_\_

## **Sign, Religious Symbol and Flag Rules**

In compliance with the Colorado Common Interest Ownership Act (“CCIOA”), the Board of Directors of the Uplands Residential Community Association, Inc. (“Association”) has adopted uniform and systematic rules to address the display of signs, religious symbols, and flags within the community. As allowed by the Declaration, the Declarant and Builders are permitted to display flags, banners, signs, advertising, or billboards in connection with the marketing, sale or rental of the Units, or otherwise in connection with development of the Community or construction of the Units.

### 1. State Law Limitations and Authority.

The Colorado legislature determined that prohibitions with respect to the display of certain signs, religious symbols, and flags on the basis of their subject matter, message, or content within the community are contrary to public policy. (See C.R.S. 38-33.3-106.5.) The legislature also determined that the Association may prohibit signs and flags bearing a commercial message, and may establish reasonable, content-neutral sign and flag regulations based upon the number, placement, size or other objective factors.

### 2. Sign and Symbol Rules.

An owner or occupant of a residence may display signs in accordance with the following:

- A. All signs must be placed within the boundaries of the Unit.
- B. Any sign located on the common area/common elements may be removed and disposed of without notice.
- C. All signs and symbols must be maintained in good condition and must be replaced as necessary when damaged, worn, or faded.

### 3. Non-Commercial Sign Rules:

- A. Signs may be no larger than 36” by 48” in size.
- B. A maximum of one non-commercial sign is permitted to be displayed within the Owner’s property at a time.
- C. A sign may be displayed within a window inside the residence or within the yard. Front yard signs must be located within ten feet of the front entry of the residence.
- D. Yard signs on the property of the Owner may not be permanently affixed to the property fencing, if any.

4. Commercial Sign Rules:

A. For Sale/For Rent/Open House Signs.

One professionally lettered "For Sale" sign on the property being offered for sale or one professionally lettered "For Rent" sign may be displayed on the property offered for sale or for rent. A sign may not be more than six square feet. For Sale signs must be removed not later than the date of closing, and "For Rent" signs must be removed when the property is leased.

One professionally lettered "Open House" sign not to exceed six square feet may be displayed on the property on the day of the open house and must be removed at the end of the day.

B. Security Signs.

Two professionally lettered security signs not to exceed one hundred square inches may be displayed on the property, and a reasonable number of professional security decals not larger than eight inches by eight inches may be displayed within windows in a residence.

C. No other signs.

With the exception of the permitted commercial signs noted above, all other trade, marketing, or commercial signs, including, but not limited to, landscaping, painting, remodeling, or business advertising, are prohibited.

5. Rules on Religious Items or Symbols:

A. A "religious item or symbol" means an item or symbol displayed because of a sincerely held religious belief. A religious item or symbol may not contain graphics, language, or any display that is obscene or otherwise illegal.

B. A religious item or symbol may be displayed on an entry door or entry door frame of a residence, individually or in combination with other religious items or symbols, as long as they do not cover an area greater than 36 square inches.

C. With advance notice by the Association, the owner or occupant may be required to temporarily remove the religious item or symbol in the event it interferes with any work that Association intends to perform.

6. Flag Rules. An owner or occupant of a residence may display flags in accordance with the following:

A. All flags must be placed within the boundaries of the Unit.

B. Any flag located on the common area/common elements may be removed and disposed of without notice.

- C. All flags and staffs must be maintained in good condition and must be replaced as necessary to prevent wear and tear.

7. Non-Commercial Flag Rules:

- A. Flags shall be no larger than 3'x 5'.
- B. A maximum of one non-commercial flag is permitted to be displayed within the Owner's property at a time.
- C. A flag may be displayed within a window inside the residence or from a balcony adjoining the residence or from a staff projecting horizontally from the roof eave located at the front entryway of the residence. The staff may not be longer than 8' in length. The staff may not be installed in such a way as to interfere with the entryway of another residence or common area walkways.
- D. Notwithstanding the above, permitted flags may not be illuminated without prior written approval of the Association. Any request for lighting must detail the type and location of lighting. Lighting shall not be installed so as to disturb other residences.

8. Commercial Flag Rules:

- A. Flags bearing a commercial message, including, but not limited to, trade, marketing, landscaping, painting, remodeling, or business advertising are prohibited.

## **Conduct of Meetings Policy/Additional Notice**

1. Additional Notice of Owner meetings.
  - A. Notice of any meeting of the Members may be posted in the Community prior to the meeting and conspicuously posted at the location of the meeting during the meeting.
  - B. If any Owner has requested that the Association provide notice via email and has provided an email address, and the entity has its own email address from which to send notices, and the Association has its own email address from which to send notices, then, the Association is to send notice of all Owner meetings to that Owner at the email address provided. The notice is to be sent after notice is provided pursuant to the Bylaws, but in no event less than 24 hours prior to the meeting.
2. Conduct at Owner meetings. All Owner meetings are governed by the following rules of conduct and order:
  - A. The President, or other officer of the Board designated by the President, will chair all Owner meetings.
  - B. All Owners or other persons who attend Owner meetings must sign in and present any proxies.
  - C. Anyone who wishes to speak must first be recognized by the chair of the meeting, and only one person may speak at a time.
  - D. Comments must be offered in a civilized manner, without personal attacks, profanity, or shouting.
  - E. Comments must be relevant to the purpose of the meeting.
  - F. The Board may decide whether or not to answer questions during the meeting.
  - G. The chair may impose reasonable time limits for each person to speak to facilitate Owner participation. Owners may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Owners may not speak more than twice on any one topic, subject to the chair's discretion.
  - H. Those addressing the meeting must be permitted to speak without interruption, as long as these rules are followed.
  - I. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Owners' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or a recommendation for proceeding. The determination may be made following consultation with legal counsel.
  - J. Minutes of all actions taken are to be kept by the Association.
  - K. The chair may establish additional rules of order as may be necessary from time to time.

- L. To encourage full participation and discussion, no meeting may be audio, video or otherwise recorded.
- M. Any Owner who refuses to follow the above rules will be asked to leave the meeting.
- N. Meetings are not required to be held in accordance with Robert's Rules of Order.

3. Conduct at Board Meetings.

- A. Owners or their representatives may attend all Board meetings, except that Owners may be excluded from an executive session. The Board may go into executive session for any purpose allowed by law. Prior to going into executive session, the chair of the meeting will announce the purpose for the executive session.
- B. The Board may post notice of upcoming Board meetings on a website, bulletin board, or other feasible location within the community.
- C. The meeting agenda will be made reasonably available for examination by Owners or their designated representatives.
- D. The rules for Owner participation during the meetings are:
  - i. Each Owner who wishes to address the Board will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Owner participation. If more than one person desires to address an issue on which the Board is to vote and there are opposing views, the Board will provide for a reasonable number of Owners to speak on each side of the issue. After other Owners have had an opportunity to speak, then an Owner who has already spoken may be given another opportunity, time permitting.
  - ii. Each Owner who wishes to speak must be recognized by the chair. Once recognized, the Owner will state their name and address.
  - iii. All comments must be delivered in a businesslike and professional manner. Personal attacks or inflammatory comments will not be permitted.
  - iv. To facilitate free and open discussion, Owners are prohibited from audio or video recording meetings.
  - v. The Board is not obligated to take immediate action on any item presented by an Owner.
  - vi. There will be an Owners' forum at the beginning of each regular Board meeting. The Owners' forum will be for up to 15 minutes, although the Board may extend this time in its discretion. Following the conclusion of the Owner's forum, the Board will proceed with the business portion of the meeting.
  - vii. Owners who attend may not participate in deliberation or discussion during the business portion of the Board meeting until expressly authorized by the Board.

- viii. Items will be discussed based on the meeting agenda, provided that items may be taken out of order if deemed advisable. Items not on the agenda may be discussed once all other items have been concluded, time permitting.
- ix. Any director may make a motion. All motions and the outcome of the vote will be recorded in the minutes. Motions must be seconded to be discussed and voted upon. If any director requests their vote in favor or against or their abstention be recorded in the minutes, the minutes will so reflect.
- x. Board meetings are not required to be held in accordance with Robert's Rules of Order.

## **Collection of Unpaid Assessments and Other Sums Policy**

This policy is adopted to comply with the terms of the Colorado Common Interest Ownership Act (“CCIOA”) which contains provisions that may conflict with the terms of the Association’s governing documents. CCIOA and this policy will control over any conflicting provisions in the governing documents.

1. Due Date.

Quarterly installments of the annual assessment are due and payable on the first day of each quarter. Other assessments, fees, or charges are due and payable as set forth in the Association’s notice. Payments will be deemed received and will be posted on the date the payment is received in the Association’s office or the Association’s payment processor’s office.

2. Past Due Dates.

Any assessment, fine or other charge not paid in full within 15 days of the due date are considered past due and delinquent and incur late fees and interest as provided below.

3. Late Charges.

A \$50 late charge is imposed for any assessment, fine or other charge not paid within 15 days of the due date, without further notice. Such charge is a personal obligation.

4. Interest.

Interest will be imposed from the due date at the rate of 8% per annum on any delinquent assessment, fine or other charge not paid within 15 days of the due date. Such interest is a personal obligation.

5. Lien. Under Colorado law and the terms of the Declaration, there is a lien for any unpaid assessment. The Association reserves the right to record a notice of lien in the county records at any time after an assessment becomes delinquent.

6. Administrative Expenses. Collection costs imposed by the Association or its managing agent for delinquent accounts will be the obligation of the Owner and may be posted to the Owner’s account. Examples include, but are not limited to, actual cost of certified mailings and costs to translate a notice to a language other than English.

7. Suspension of Rights. An Owner’s voting rights are automatically suspended without notice if an assessment or other charge is delinquent as set forth in this policy. An Owner’s or Related User’s rights to use Community facilities may also be suspended without notice if an assessment or other charge is delinquent as set forth in this policy.

8. Suspension of Services. The Association may suspend services provided to an Owner who is more than 30 days delinquent in paying any assessment or other charge due to the Association.

9. Acceleration.

Upon 30 days' written notice, the Association may accelerate and declare the annual assessment immediately due. Upon acceleration, that Owner loses the privilege of paying any and all assessments and charges in installments for the remainder of the fiscal year, unless such privilege is reinstated in the Board's sole discretion.

10. Attorney's Fees and Collection Costs. The Association is entitled to recover its reasonable attorney's fees and collection costs incurred in collecting assessments or other charges due the Association from a delinquent Owner pursuant to the terms of the Declaration and Colorado law.

11. Application of Payments. If an Owner who has both unpaid assessments and unpaid fines, fees, or other charges makes a payment to the Association, the Association will apply the payment first to assessments and any remaining amount of the payment to the fines, fees, or other charges owed.

12. Monthly Statements Required. On a monthly basis, the Association will send to each Owner who has any outstanding balance an itemized list of all assessments, fines, fees, and charges that the Owner owes to the Association (i.e., an account ledger). The monthly statement will be sent by first-class mail to the Owner's registered address, and if the Association has a relevant email address, by email. If the account has been referred to a collection agency or to any attorney, the statement will also specify that the balance may not include all attorney's fees and costs that have been incurred as of the statement date but not yet invoiced to the Association and posted to the account. No fees or other charges will be assessed for providing statements required under this Section.

13. Notice of Delinquency. The Association may send courtesy notices to Owners. However, 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:

- A. The total amount due, with an accounting of how the total was determined;
- B. Whether the opportunity to enter into a payment plan exists as provided in this collection policy, and instructions for contacting the Association to enter into a payment plan, if available;
- C. The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt;
- D. A statement that action is required to cure the delinquency, and that failure to do so within 30 days may result in the Owner's delinquent 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;
- E. 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;

- F. 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
- G. 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.

14. Owner or Designated Contact and Delivery of Notice.

- A. An Owner may send written notice to the Association identifying another person to serve as a contact for the Owner for notices and correspondence ("Designated Contact"). The Association will send the same written communications to the Designated Contact that it sends to the Owner. If the Owner wishes to change or cease the Designated Contact, the Owner must send the Association written notice.
- B. 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 contact the Owner and Designated Contact by:
  - i. Sending a copy of the delinquency notice described above by certified mail, return receipt requested, and
  - ii. Contacting the Owner and Designated Contact by two of the following means:
    - a. Telephone call to a telephone number that the Association has on file that the Owner and Designated Contact provided to the Association. If the Association is unable to contact the Owner and Designated Contact, it will, if possible, leave a voice message;
    - b. Text message to a cellular number that the Association has on file that the Owner and Designated Contact has provided to the Association; or
    - c. Email to an email address that the Association has on file that the Owner and Designated Contact provided to the Association.
- C. 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.

15. Record of Notification. The Association will maintain a record of the contact(s) it has made with an Owner or Designated Contact regarding a delinquency, including the type of communication used to contact the Owner and the date and time the contact was made. As this record relates to a particular Unit, it will not be deemed to be a record available to all Owners under Colorado law.

16. Payment Plans.

- A. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, it will make a good faith effort to coordinate with the Owner to set up a payment plan. An Owner may enter into a payment plan to pay off a deficiency in equal installments over a minimum period of 18 months or such other longer period as authorized by the Board.
- B. If the Owner fails to comply with the terms of the payment plan (fails to remit payment of three or more agreed-upon installments within 15 days after the monthly installments are due), the Association may pursue legal action subject to the notice requirements above.
- C. The Association is not obligated to negotiate a payment plan with:
  - i. an Owner who has previously entered into a payment plan pursuant to this policy, or
  - ii. an Owner who does not occupy the Unit and acquired the Unit because of a default of a security interest encumbering the Unit or a foreclosure of the Association's lien.
- D. Before the Association initiates a foreclosure proceeding based on the Owner's unpaid assessments, it will provide the Owner with a written offer to enter into a repayment plan of at least 18 months. Under the repayment plan, the Owner may choose the amount to be paid each month, so long as each payment must be in an amount of at least \$25.00. The Owner may elect to pay the remaining balance under the repayment plan at any time during the duration of the repayment plan. The Association will not foreclose as long as the Owner is in compliance with the terms of the payment plan.
- E. All payment plans involving accounts referred to an attorney for collection will be set up and monitored through the attorney in consultation with the President of the Board or other person designated by the Board.

17. Board Action to Refer Delinquent Account. Before a delinquent account is referred to a collection agency or attorney, a majority of the Board must vote to refer the matter by recorded vote conducted in executive session.

18. Referral of Delinquent Accounts to Attorneys.

- A. After an account has been referred to the Association's attorney, the account remains with the attorney until it is settled, has a zero balance, or is otherwise resolved. Once accounts are turned over to the Association's attorney, Owners will make payments to the Association at the attorney's address. The Association's attorney is authorized to take whatever action is necessary, in consultation with the Board President or other person designated by the Board, believed to be in the Association's best interest.
- B. After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner will be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board may 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. Action by the Association's attorney may include the following:

- i. Notice of Lien. If not already recorded, a notice of lien may be recorded against the delinquent Owner's property to provide record notice of the Association's claim against the property.
- ii. Filing Lawsuit. The Association may file a lawsuit against the delinquent Owner seeking a money judgment. If a personal judgment is entered against the delinquent Owner, the Association may pursue remedies such as garnishing the Owner's wages or bank account to collect judgment amounts.
- iii. Judicial Foreclosure. The Association may 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 in other circumstances that may favor such action. If the Association forecloses on its lien, the Owner will lose the Owner's Unit, having the same effect as if a first mortgagee institutes a foreclosure action against the property (though the procedure is different).

The Association will not commence a judicial foreclosure action unless it has complied with the requirements of C.R.S. §§ 38-33.3-316 and 38-33.3-316.3 and the balance of the assessments and charges secured by its lien (which may include late fees, fines, and other charges as well as other assessments) equals or exceeds 6 months' of common expense assessments based on the Association's periodic budget. Additionally, the Association will not pursue foreclosure against an Owner solely based on fines owed to the Association and/or collection costs or attorney's fees the Association incurred that are only associated with such fines. Prior to filing a foreclosure action, the Board will resolve by a recorded vote in executive session to authorize the filing of the foreclosure action against the particular Unit against which the foreclosure action will be filed.

- iv. Receivership. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property and collects 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 waste and deterioration of the property.
  - v. Bankruptcy Filings. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim.
19. Certificate of Status of Assessment/Estoppel Letter. The Association will furnish to an Owner, or such Owner's designee, upon written request delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Unit. The statement will be delivered within 14 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested. If the Owner's account has been turned over to the

Association's attorney, the statement will include any attorney's fees incurred in providing the statement.

20. Returned Check Charges.

A. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:

- i. An amount equal to the face amount of the check, draft, or money order and a return check charge of: (a) \$20.00; or (b) 20% of the face amount of the check, draft, or money order, but not less than \$20.00, if it has been assigned to a collection agency for collection; or (c) an amount equal to the actual charges incurred by the Association levied by the party returning the check, whichever is greater; or
- ii. If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft, or money order will be liable to the Association for three times the face amount of the check, but not less than \$100.00.

B. If two or more of an Owner's checks are returned within any fiscal year, the Association may require that future payments, for a period of one year, be made by certified check or money order.

21. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any bankruptcy notice or a foreclosure notice by any holder of an encumbrance against any Unit within the Association, the Association may advise the Association's attorney of the same and turn the account over to the Association's attorney.

22. Waivers. The Association may modify these procedures as the Association determines appropriate under the particular circumstances. Any accommodation may be documented in the Association's files. Failure to require strict compliance with this policy is not deemed a waiver of the Association's right to require strict compliance and will not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney's fees, and/or costs as described and imposed by this policy.

## **Inspection and Copying of Association Records Policy**

1. **Availability and Inspection of Records.** Any records required to be made available by law will be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours after written request of at least 10 days, or at the next regularly scheduled meeting if such meeting occurs within 30 days after the request. The written request will describe the records sought with reasonable particularity. The Board may require that requests be submitted on the form attached to this policy.

A. Upon receipt of a request, the Association will make an appointment with the Owner, at a time convenient to both parties, to conduct the inspection. Unless otherwise agreed, all records will be inspected at the management company's office. All appointments for inspection will be limited to 4 hours. If additional time is needed, another appointment will be made within 2 weeks, at a time convenient to both parties.

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

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

D. Records may not be removed from the office in which they are inspected without the Board's express written consent.

2. **Association Records.** In addition to any records specifically required by law or the Association's Declaration or Bylaws, the Association will maintain the following records, which are the Association's sole records:

A. detailed records of receipts and expenditures affecting the Association's operation and administration;

B. records of claims for construction defects and amounts received pursuant to settlement of those claims;

C. minutes of membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board without a meeting (i.e., by written ballot or written consent in lieu of a meeting), and a record of all actions taken by a committee of the Board;

D. written communications among, and the votes cast by, Board members that are directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws or Colorado law;

E. Members' names in a form that permits preparation of a list of names and physical mailing addresses of all Members, showing each Member's number of votes ("Membership list");

F. the current articles of incorporation, declaration, covenants, bylaws, rules and regulations, responsible governance policies required pursuant to Colorado law, and any other policies adopted by the Board;

G. financial statements, to the extent available, showing, in reasonable detail, the Association's assets and liabilities and results of its operations for the past three years;

H. tax returns for the past seven years, to the extent available;

I. a list of the names, electronic mail addresses, and physical mailing addresses of its current directors and officers;

J. its most recent annual report delivered to the Secretary of State;

K. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;

L. the Association's most recent reserve study, if any;

M. current written contracts to which the Association is a party;

N. written contracts for work performed for the Association within the immediately preceding two years;

O. records of Board or committee actions to approve or deny design or architectural approval from Members;

P. ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate (provided that any identifying information on ballots may be redacted prior to owner inspection);

Q. resolutions adopted by the Board relating the characteristics, qualifications, rights, limitations, and obligations of Members or any class of Members;

R. written communications within the past three years to Members generally as Members; and

S. a list of the current amounts of all unique and extraordinary fees, assessments, and expenses that are chargeable by the association (including those of any management company) in connection with the purchase or sale of a unit and are not paid for through assessments, including transfer fees, record change fees, and the charge for a status letter or statement of assessment due.

If the Association stores other types of documentation, or stores documentation for a longer time period than may be required above, those documents will not be considered Association records.

3. Additional Records/Information. The following additional information as required by C.R.S. § 38-33.3-209.4 will be kept and made available:

A. the name of the Association's designated agent or management company;

B. a valid physical address and telephone number for both the Association and manager or management company;

C. the name of the common interest community;

D. the initial date of recording of the Declaration;

E. the reception number or book and page for the Declaration;

F. the date on which the fiscal year commences;

G. the operating budget for the current fiscal year;

H. a list, by Unit type, of the Association's current assessments (regular and special);

I. the annual financial statements, including any amounts held in reserve, for the fiscal year immediately preceding the current annual disclosure;

J. the results of the most recent available financial audit or review, if any; and

K. a list of all Association insurance policies, including company names, policy limits, policy deductibles, additional named insureds, and expiration dates. The insurance policies themselves will also be kept and made available.

4. Restrictions on Use of Membership List.

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

B. In addition, a Membership list may not be:

i. used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;

ii. used for any commercial purpose;

iii. sold to or purchased by any person;

iv. used for any purposes unrelated to the Member's interest as a Member; or

v. used for any other purpose prohibited by law.

Members requesting a Membership list will be required to sign the agreement attached to this policy indicating that they will not use the list for the purposes stated above.

5. Records That May Be Withheld. Pursuant to Colorado law, the following records may be withheld from inspection and copying to the extent that such records are or concern:

A. architectural drawings, plans, and designs, unless the legal owner of the drawings, plans, or designs provides written consent to the release;

- B. contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are still in or under negotiation;
- C. communication with legal counsel protected by the attorney-client privilege or the attorney work product doctrine;
- D. disclosure of information in violation of law;
- E. records of an executive session of the Board; and
- F. records related to an individual Unit other than the Member's.

If these records are made available for inspection, the procedure set forth in Paragraph 1 applies.

6. Records That Are Not Available. Pursuant to Colorado law, the following records are not subject to review, inspection, and/or copying, and will be withheld from any inspection:

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

Notwithstanding the limitations above, an Owner or resident may provide the Association with prior written consent to the disclosure of, and the Association may publish to other Owners and residents, the person's telephone number, electronic mail address, or both.

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

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

9. Inspection and Presence of an Association Representative. The right is reserved to have a third person present to observe during any inspection of records.

**UPLANDS RESIDENTIAL COMMUNITY ASSOCIATION, INC.  
REQUEST FOR ACCESS TO ASSOCIATION RECORDS**

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

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

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

1. Pursuant to state law and the Association's Records Inspection Policy, I hereby request that Uplands Residential Community Association, Inc. provide access to the records of the Association. I have requested to inspect and/or obtain copies of the following records:

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

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

I understand that upon receipt of this request, the Association will make an appointment with me during regular business hours.

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

- (i) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (ii) Used for any commercial purpose;
- (iii) Sold to, otherwise distributed to, or purchased by any person; or
- (iv) Any other purpose prohibited by law.

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

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

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

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

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

## **Governance Policy on Disputes**

1. For any dispute related to a Construction Dispute (as defined in the Declaration), conditions set forth in that Declaration apply and arbitration is required and notices are required.
2. For any other disputes, the parties' rights are not limited and no pre-conditions or requirements apply other than as set forth in these policies:
  - A. A written notice of a claim is preferred to be given by the claimant against the person to whom the claim is asserted.
  - B. This notice is preferred, but not required, unless specifically required in any of the Governing Documents for the Association or in other provisions of these policies.
  - C. Discretionary dispute resolution procedures may include:
    - i. Negotiation. A request for dispute resolution by negotiation may be initiated by any party. The request will be in writing stating the nature and details of the dispute and will be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting will be held between the parties to begin a good faith attempt to negotiate a resolution not less than 14 or more than 30 days of receipt of the 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.
    - 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 between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator will be selected by a consensus of the parties involved within 14 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

## **Covenant and Rule Enforcement Policy of the Association**

This policy is adopted to comply with the terms of the Colorado Common Interest Ownership Act (“CCIOA”) which contains provisions that may conflict with the terms of the Association’s governing documents. CCIOA and this policy will control over any conflicting provisions in the governing documents.

1. **Enforcement Procedure.** The Association will not impose fines or commence legal action for violations of the governing documents until after the Association has followed the procedures set forth below.
2. **Complaints.** Any Owner may send the Association a written complaint by email or first-class mail, with as much information as is known of a covenant or rule violation. Complaints may also be initiated by the manager, any member of the Board, or by any committee authorized by the Board. Complaints that cannot be independently verified by a Board member or the Association’s manager must be in writing. The Association has no obligation to consider oral or anonymous complaints. The Board may determine whether a written complaint is justified before continuing with any enforcement action or the notice and hearing procedures.
3. **Notice of Violation.**
  - A. The Association will send a written notice of any asserted violation of any provisions of the governing documents to the Owner in accordance with this policy. The notice will describe: (i) the nature of the violation; (ii) the action or actions required to cure the violation; (iii) any fines that may be imposed; (iv) the right to request a hearing to contest the violation or possible fine; and (v) if a hearing is requested, a date by which such request must be received and a timeline for the hearing process (“Notice of Violation”).
  - B. 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.
  - C. An Owner may send written notice to the Association identifying another person to serve as a designated contact for the Owner for notices and correspondence. The Association will send the same written communications to the designated contact that it sends to the Owner. If the Owner wishes to change or cease the designated contact, the Owner must send the Association written notice.
  - D. For the purpose of this policy to comply with Colorado law, a notice is deemed received when sent by and according to the following timelines:
    - i. Email or text – Upon successful transmission of electronic mail or text;
    - ii. Certified Mail/First-Class Mail – 3 business days after deposit for delivery;
    - iii. Posting – Upon physical posting at the Owner’s Unit; or
    - iv. Actual Notice – Upon hand-delivery.

4. Violations That Threaten Public Safety or Health.

A. If the Association reasonably determines that a violation threatens the public safety or health, the Association will send the Owner a written Notice of Violation informing the Owner that the Owner has 72 hours to cure the violation, or the Association may impose a fine.

The written Notice of Violation must be sent by first-class mail, but the Association may send additional notice by certified mail; email; text message to a cellular number that the Association has on file because the Owner has provided the number to the Association; or hand-delivery.

B. After 72 hours from receipt of notice, the Association will inspect the Unit and determine whether the violation has been cured. If the Owner has not cured the violation, the Association may impose fines on the Unit Owner every other day in accordance with the fine schedule below and/or commence legal action to enforce the governing documents and cure the violation.

5. Violations That DO NOT Threaten Public Safety or Health.

A. If the Association reasonably determines that a violation occurred, other than a violation that threatens the public safety or health, the Association will send the Owner a Notice of Violation informing the Owner that the Owner has 30 days to cure the violation, or the Association, after conducting an inspection and determining that the violation has not been cured, may impose a fine. The Notice of Violation must be sent by certified mail, return receipt requested and by first-class mail. The Association may send additional copies of the notice by email, text message to a cellular number that the Association has on file because the Owner has provided the number to the Association, and/or hand-delivery.

B. After 30 days, if the Association has not received notice from the Owner that the violation has been cured, the Association will inspect the Unit within 7 days of the initial 30-day cure period. After inspection, if the Association determines that the violation has not been cured, the Association may impose the fine stated in the Notice of Violation and will send a second Notice of Violation with a second 30-day cure period.

C. After the second 30-day cure period, if the Association has not received notice from the Owner that the violation has been cured, the Association will inspect the Unit within 7 days of the second 30-day cure period. After inspection, if the Association determines that the violation has not been cured, the Association may impose a second fine in accordance with fine schedule below, send additional notices and opportunity to cure, and/or commence legal action. The Association may not commence legal action until a second 30-day cure period has elapsed.

D. If an Owner cures the violation within the required cure period, the Owner may notify the Association in writing, including visual evidence that the violation has been corrected. If the Owner provides visual evidence of the cure, the violation will be deemed cured on the date the Owner sends the notice. If the Owner does not provide visual evidence of the cure, the Association will inspect the Unit as soon as practicable to determine if the violation has been cured. If the visual evidence provided is insufficient for the Association to determine if a violation has been cured, at the Association's sole discretion, the Association can provide notice to the Owner that it intends to inspect the Unit to verify the violation has been cured.

6. Additional Required Notices. If an Owner cures a violation, the Association will notify the

Owner: (i) of any outstanding fine balance owed to the Association, and (ii) that the Owner will not be further fined with regard to the violation.

7. Request for Hearing. If an Owner desires a hearing to contest any alleged violation and possible fine or to discuss any mitigating circumstances, the Owner must request the hearing, in writing, prior to the deadline stated in the Notice of Violation. The request for hearing should describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. If a timely request for a hearing is not made, the right to a hearing is deemed forever waived. If a hearing is not requested by the deadline, the hearing board will determine if there was a violation based upon the information available to it, and if so, assess a fine as set forth in the fine schedule upon expiration of any applicable cure period(s).

8. Hearing Board to Conduct Hearing. The hearing board, which may be the Board of Directors, will hear and decide cases set for hearing pursuant to the procedures set forth in this policy. The hearing board may appoint an officer or other Owner to preside at any hearing.

9. Conflicts. Any Owner who desires a hearing will be afforded a fair and impartial fact-finding process by "impartial decision makers" (persons with authority to make a decision on a claimed covenant, rule, or architectural violation and without a direct personal or financial interest in the outcome of the hearing). Any decision-maker who is incapable of objective and disinterested consideration will disclose this to the presiding officer prior to the hearing, if possible. If advance notice is not possible, the disclosure will be made at the hearing, and the decision-maker will be disqualified from all proceedings related to the hearing. If disqualification of any decision-maker results in an even number of individuals eligible to hear a case, the presiding officer may appoint an Association Member, in good standing, to serve as a voting member of the hearing board.

10. Hearings. The Board will inform the Owner of the scheduled time, place, and date of the requested hearing by first-class mail. Additional notice may be sent by: certified mail; email; text message to a cellular number that the Association has on file because the Owner has provided the number to the Association; or hand-delivery. Hearings may be conducted during or subsequent to any applicable cure period(s). The presiding officer may grant continuances for good cause. At the beginning of each hearing, the presiding officer will explain the rules, procedures, and guidelines by which the hearing will be conducted. The complaining parties and the Owner will have the right, but not the obligation, to attend the hearing. Each party may present evidence, testimony, and witnesses. The decision will be based on the matters set forth in the notice of alleged violation, request for hearing, and evidence as may be presented at the hearing. Unless otherwise requested by the Owner, all hearings will be conducted during executive session. If a complaining party is unable to attend the hearing, the complainant may submit a letter to the hearing board explaining the basis of the complaint.

11. Decision. After all testimony and other evidence has been presented to the hearing board, it will render its written findings and decision, and impose a fine, if applicable, upon expiration of any applicable cure period(s). A decision, either a finding for or against the Owner, will be by a majority vote of the hearing board.

12. Fine Schedule.

A. Limitation on Fines. With the exception of violations that threaten public safety or health, CCIOA provides that the total amount of fines imposed for each violation of the governing documents may not exceed \$500. In accordance with limitations set forth in CCIOA,

the Association has adopted the following schedule of fines. These fines supersede and replace any existing fines greater than \$500 adopted prior to the date of this policy.

B. General Fine Schedule.

Unless otherwise specified in the governing documents, the following fines may be imposed for each violation of the governing documents occurring within a one-year period:

Courtesy Notice:	No fine.
1 <sup>st</sup> Notice of Violation with 30 day cure:	\$250
2 <sup>nd</sup> Notice of Violation with 30 day cure:	\$250

The Association may send one or more courtesy notices prior to a Notice of Violation. A Notice of Violation may be sent for any first violation. Additional or subsequent violations of the same provision occurring within one year from the date of the first Notice of Violation will be considered repeat or recurring violations, subject to additional fines as set forth above. After the one-year period, any subsequent occurrence of the same violation will be treated as a new first violation.

C. Continuing Violation Fine Schedule.

For any violation that does not threaten public safety or health and is continuing in nature, the Association may impose fines in accordance with the general fine schedule, or the Association may impose fines on a weekly or monthly basis in the amount of \$ 100 per week up to a maximum of \$500. The Association may impose a fine every other day in the amount of \$50 for violations that threaten public safety or health until the violation is cured.

For purposes of this policy, a violation is considered “continuing in nature” if the violation is uninterrupted by time or, by the nature of the violation, it occurs at such frequency to create a continuous pattern of occurrence. Examples of continuing violations include unsightly yard, unauthorized improvements, parking an unauthorized vehicle in the community on a nightly or other regular basis, etc.

The total amount of fines will not exceed \$500 for each violation of the same covenant, restriction, rule, or regulation. However, the Association reserves the right to impose fines greater than \$500 for violations that threaten public safety or health.

13. Additional Enforcement Rights.

- A. Recorded Notice of Violation. The Board may issue and record with the Clerk and Recorder a Notice of Violation.
- B. Reimbursement Assessment. The Board may levy a Reimbursement Assessment against any Owner and Owner’s Unit for those purposes set forth in the Declaration, including, but not limited to reimbursing the Association for costs incurred in bringing an Owner into compliance.
- C. Self-help Remedies. The Association or its duly authorized agent has the authority to abate or remove any structure, thing, or condition that violates the governing documents, as more fully provided in Sections 9.2,10.2, and 14.1

of the Declaration. All costs of self-help will be assessed against and be a lien on the Owner's Unit.

- D. Suspension of Right to Vote. After notice and opportunity for a hearing, an Owner's right to vote may be suspended if the Owner is in violation of the governing documents for up to 60 days or any period of violation, whichever is greater; provided however, suspension is automatic without notice for nonpayment of assessments.
14. Failure to Enforce. The Association's failure to enforce the governing documents is not a waiver of the right to enforce for any subsequent violations.
  15. Administrative Expenses. Enforcement costs, imposed by the Association or its managing agent, related to covenant and rule enforcement will be the obligation of the Owner and may be posted to the Owner's account. Examples include but are not limited to, certified mailings or costs to translate a notice to a language other than English.

## **Board Member Conflict of Interest Policy**

1. **Disclosure of Conflict/Voting Restriction and Applicable Law.**

Any conflict of interest on the part of any Director may be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter.

After disclosure, the Director may participate in the discussion but may not vote on the matter, unless voting is allowed by applicable state statutes.

2. **Approval.** The contract, Board decision, or other Board action must be approved by a majority of the disinterested directors who are voting.

3. **Standard of Review.** No conflicting interest transaction will be set aside solely because an interested director is present at, participates in, or votes at a Board meeting that authorizes, approves, or ratifies the conflicting interest transaction if:

A. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or 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 directors, even though the disinterested directors may be less than a quorum; or

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

C. the conflicting interest transaction is fair to the Association.

4. **Loans.** The Association will not make loans to its directors or officers. Any director or officer who assents to or participates in making a loan to a director or officer will be liable to the Association for the amount of the loan until the loan is repaid.

5. **Association Lien Foreclosure.** Colorado law prohibits a director or officer of the Association, and their immediate family members, from purchasing a Unit during any foreclosure action filed by the Association to enforce its lien.

6. **Definitions**

A. **"Conflict of interest"** means a contract, transaction, decision or other action taken by or on behalf of the Board that would financially benefit: (i) a director; (ii) a party related to a director; or (iii) an entity in which an Association director is also a director or officer or has a financial interest.

B. **"Immediate family member"** means a person related by blood, marriage, civil union, or adoption.

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

## **Reserve Study and Funding Policy**

1. **Reserve Study**. The Association is not required to have a reserve study. The Association does not require reserve studies to be done on a periodic basis (i.e., once every 3 years). If a reserve study is prepared, it may be based on a physical analysis.
2. **Reserve Funding**. Funding for replacement is preferred to be based on a financial analysis. Funding for replacement is planned and projected to be, as determined, from year-to-year, by the Board from the following sources: (A) cash then on hand, including the operation and the reserve accounts, (B) annual assessments of owners, (C) special assessments of owners, (D) a loan as may be obtained by the Association, and/or (E) any combination of the above.

## **Investment of Reserves Policy**

1. With regard to investment of reserve funds, directors and officers are subject to the standard of care outlined in this policy. Officer, for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.
  - A. Directors and officers will perform their duties regarding investment of reserves in good faith, in a manner the director or officer reasonably believes to be in the Association's best interests, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In performing the duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more Association officers or employees whom the director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, community association manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within the person's professional or expert competence; or (iii) an Association committee on which the director or officer does not serve if the director reasonably believes the committee merits confidence.
  - B. A director or officer is not considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause reliance on others as provided above to be unwarranted. A director or officer is not liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with the action or omission, the director or officer performs his duties in compliance with this policy. A director or officer, regardless of title, is not deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.
2. The Board establishes the amount, if any, to be transferred to reserve funds on an annual basis. The amount will be reflected in the budget to be ratified by the Owners.
3. Reserve funds may be invested in authorized investment funds to generate revenue that will accrue to the reserve fund account balance pursuant to the following goals, criteria and policies, listed in order of importance:
  - A. Safety of Principal. Promote and ensure the preservation of the reserve fund principal.
  - B. Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
  - C. Minimal Costs. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
  - D. Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
  - E. Return. Reserve funds should be invested to seek the highest level of return, recognizing the above factors.

## **Policy Regarding Personal Identifying Information, Data Security and Breach Notification**

### 1. Definitions:

- A. **“Personal Identifying Information” or “PII”** means any (i) social security number; (ii) personal identification number; (iii) password or pass code; (iv) government or state-issued driver’s license or identification card number; (v) passport number; (vi) biometric data (defined as unique biometric data generated from measurements or analysis of human body characteristics for the purpose of authenticating the individual when he accesses an online account); (vii) employer, student, or military identification number; or (viii) financial transaction device (defined by statute as a credit card, banking card, debit card, electronic fund transfer card, guaranteed check card or account number representing a financial account or affecting the account holder’s financial interest, standing or obligation, that can be used to make financial payment or to obtain cash, goods, property or services).
- B. **“Personal Information” or “PI”** means:
- i. The first name or first initial and last name of any Colorado resident, plus one of the following: social security number; employer, student, or military ID numbers; passport number; driver’s license or government/state-issued ID number; medical information; biometric data; health insurance ID number; or
  - ii. The username or email, in combination with a password or security questions (with answer) that would permit access to an online account; or
  - iii. The account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to that account.
- C. **“Security Breach”** means the unauthorized acquisition of unencrypted computerized data that comprises the security, confidentiality, or integrity of Personal Information maintained by the Association. Good faith acquisition of personal information by an employee or agent of the Association for the Association’s business purposes is not a security breach if the personal information is not used for a purpose unrelated to the lawful operation of the business or is not subject to further unauthorized disclosure.

### 2. Safeguarding Personal Identifying Information.

- A. In the normal course of the Association’s business, it may have an individual’s PII in its records. The Association recognizes the need to maintain the confidentiality of any PII it may have in its possession and will implement reasonable security procedures, based on the nature of the PII and the volunteer nature of the Association’s operations, to protect any PII from unauthorized access, use, modification, disclosure or destruction. Pursuant to the Association’s records inspection policy and Colorado law, such PII is not available for inspection and/or copying by members and will be maintained separately from other Association records.
- B. The Association’s records, including PII, if any, may be maintained by the Association’s management company. The management company is expected to

implement reasonable security measures to protect any Association member's PII, whether stored electronically or in hard copy, from unauthorized access, use, modification, disclosure or destruction. Reasonable security measures may include, without limitation, non-disclosure, use of appropriate technology, security practices, computer access security, data access security, data storage encryption, data transmission encryption, security inspections, and audits.

3. Disposal of Personal Identifying Information.

- A. When the Association has determined that it no longer needs records containing PII, they will be disposed of or destroyed in a manner reasonably designed to make the PII unreadable or indecipherable.
- B. Possible methods of disposal or destruction include shredding of any physical files containing PII and using a wipe utility program to securely erase electronic files or otherwise erasing electronic files so that information cannot be read or reconstructed.

4. Protection of Personal Information / Notification and Investigation of Suspected Security Breach.

- A. If the Association becomes aware that a Security Breach may have occurred, it will promptly investigate the likelihood that PI has been or will be misused. Unless the Association determines that the PI has not been misused and is not reasonably likely to be misused, the Association will provide notice to any affected individuals in accordance with the requirements set forth in C.R.S. Section 6-1-716.
- B. If the Association becomes aware that any PI in the management company's possession or control has been breached, it will require the management company to follow any notice requirements set forth in C.R.S. Section 6-1-716.
- C. This notice will be sent as soon as is reasonably possible, but no later than 30 days after the determination is made.

## **Policy on the Adoption of Policies, Procedures, Rules, Regulations, or Guidelines**

1. Definitions:

- A. A policy is a course or principle of action adopted to guide the Board.
- B. A procedure is an established or official way of conducting a course of action.
- C. A rule is defined as a regulation or requirement governing conduct or behavior or the use of property.

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

3. The Board has authority to adopt and amend policies and procedures governing Association operation. These policies and procedures will be adopted at an open Board meeting and documented in the minutes or in a formal resolution. Current policies may be posted on the Association's website, if any.

4. The Board may adopt rules and regulations as may be deemed necessary or desirable with respect to the use and enjoyment of Common Elements and the use of any other property within the Community, including Units. Rules and regulations will be adopted at an open Board meeting and documented in the minutes or in a formal resolution. Newly adopted rules will be posted on the Association's website, if any, with accompanying notice to all Owners in the Association's newsletter, or via first-class mail, or via email if the Owner has provided an email address.

## **General Terms**

These Rules and Governance Policies are subject to the following:

1. Definitions.

Unless otherwise defined, initially capitalized or terms defined in the Declaration shall have the same meaning as used in these Rules and Governance Policies.

2. Supplement to Law.

The provisions of these Rules and Governance Policies are in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

3. Deviations.

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

4. No Waiver.

Failure by the Association, the Board, architectural review committee or any person to enforce any provision of its policies, procedures, rules, regulations or guidelines is not a waiver of the right to do so later.

5. Severable.

The provisions of policies, procedures, rules, regulations or guidelines of the Association are deemed to be independent and severable. Invalidity of any one or more of the provisions, or any portion, by judgment or decree of any court of competent jurisdiction, does not affect the validity or enforceability of the remaining policies, procedures, rules, regulations or guidelines of the Association. Those provisions remain in full force and effect.