

**RED FOX MEADOW HOMEOWNERS ASSOCIATION
POLICY FOR COLLECTION OF UNPAID ASSESSMENTS
Effective: August 9, 2022**

1. **Introduction.** The Board of Directors ("Board") of Red Fox Meadow Homeowners Association, a Colorado nonprofit corporation ("Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions for Red Fox Meadow ("Declaration") (such documents being collectively referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act, as amended ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. **Policy Purpose.** The purpose of this Policy is to emphasize that collection of unpaid Assessments is an important part of governing the Association and such collection should be done in a uniform manner in accordance with the Association Documents and CCIOA, specifically as CCIOA has been amended by HB 22-1137. It is the intent of this Policy to provide a framework for the collection of past due Assessments in a timely and efficient manner.

3. **Collection of Unpaid Assessments.** To assist with the collection of unpaid Assessments in a timely and efficient manner, the Association shall do the following:

3.1 **Due Date/Delinquent Payments.** Assessments are due upon the date specified by the Board. Any Assessment not paid within 10 days after its due date is considered past due and delinquent. A monthly late charge in the amount of \$25.00 will be assessed against the delinquent Owner. Daily late fees are prohibited. Furthermore, the Association may impose interest at any rate up to 8% per annum on past due Assessments from the date of delinquency.

3.2 **Returned Check Charge.** In addition to any other charges under the Association Documents and this Policy, if an Owner makes payment of Assessments to the Association by a check which is not honored by the bank on which it was written or is returned by such bank for any reason whatsoever, including but not limited to insufficient funds, the Owner shall immediately pay the Association, as part of the Owner's Assessment, a reasonable returned check charge not to exceed \$20.00.

3.3 **Notice to Owner/Payment Plan.** If any Assessments are 30 days past due, and before the Association turns over a past due account over to a collection agency or an attorney for collection, the Association must contact the Owner, by written notice, regarding the delinquency. The required written notice must be delivered to the delinquent Owner by both certified mail, return receipt requested, and by posting on the front door, or other conspicuous place, at the Owner's Unit or Lot. Additionally, the Association must also contact the Owner by one of the following means:

- 1st class mail;

- text message; or
- email.

The cost associated with posting the notice of delinquency shall be charged to the delinquent Owner.

The Association must keep a written record all attempts to contact an Owner regarding a delinquency, specifically including the date of each attempt, the time of each attempt, and the method by which Association made each attempt.

The Owner may designate another contact person for the Association to contact regarding any delinquency. Such designation shall be made in writing and sent to the Association. In such instance, the Association shall send the notice of delinquency to both the Owner and the Owner's designated contact person.

The Owner may designate that all notices regarding delinquency are to be in a language other than English. Such designation shall be made in writing and sent to the Association. In such case, the Association must provide the notice to the Owner in the preferred language as designated by the Owner and in English.

The delinquency notice to all Owners must include the following:

- An itemization of the past due balance, listing the past due amount broken down into past due assessments, fines, fees or other charges owed to the Association.
- That unless the Owner acquired the Owner's Unit or Lot through a foreclosure and does not occupy the Unit or Lot, the Owner will have an opportunity to enter into a payment plan that allows the Owner to pay off the past due amount in equal payments over eighteen (18) months, with monthly payments to be at a minimum \$25.00 per month. Under such a payment plan, the Owner will be required to make payment of the past due Assessments and also remain current with payment of the regular Assessments as they come due during the term of the payment plan. If the Owner does not comply with the payment plan, the Association can then pursue legal action against the Owner as set forth in this Policy.
- If the Owner enters into a payment plan, the Owner can pay the full past due amount at any time, without penalty.
- The contact information for the Association's Community Association Management company in the event the delinquent Owner wishes to enter into a payment plan or has any other questions about the amount owing to the Association.
- That action is required to cure the Owner's delinquency and if the Owner fails to do so within 30 days following the date of the Association's letter, the Owner's past due account may be turned over to a collection agency or an attorney, a lawsuit may be filed against the Owner, a lien may be filed and foreclosed against

the Owner's Unit or Lot if the delinquency is related to non-payment of Assessments, and the Association may pursue any other remedies available under Colorado law including the recovery of attorney fees and costs of collection.

- A description of the steps the Association must take before commencing legal action for collection of any unpaid assessments and a description of what legal action the Association may take to small claims court, including injunctive relief.

3.4 Owner's Failure to Respond or Comply with Repayment Plan. If after 30 days of the delinquency notice being sent to any delinquent Owner the Owner has not responded or has declined the offer of the eighteen (18) month repayment period, the Association may commence collection pursuant to Section 3.7 below.

If the Owner enters into a repayment plan of any length, should the owner fail to make any three (3) of the agreed upon monthly payments within fifteen (15) days of their due date or fails to pay three (3) regular assessments within fifteen (15) days of their due date then the Association may commence the collection process pursuant to Section 3.7 below.

3.5 Monthly Notice of Delinquency. The Association shall send monthly notices to all Owners with an outstanding balance. The monthly notices shall be sent via 1st class mail and email, if Owner provided the Association in writing with Owner's email address and shall include an itemized listing of the past due amount broken down into past due assessments, fines, fees or other charges owed to the Association. The monthly notice shall be sent to the Owner in English and such other preferred language as designated by the Owner. The Association shall not charge any Owner for an account statement showing the total amount the Owner owes.

3.6 Application of Payments on Delinquent Accounts. All payments received with regard to a delinquent Owner's account shall be applied in the following order:

- 3.6.1 Past due assessments;
- 3.6.2 Outstanding fines;
- 3.6.3 Association's attorneys' fees and costs and expenses of enforcement and collection;
- 3.6.4 Late charges and interest (if any);
- 3.6.5 Returned check charges; and
- 3.6.6 Other costs owing under the Association.

3.7 Collection Remedies. Before a delinquent Owner can be sent to a collection agency or to an attorney for collection, the majority of the Association's Board of Directors must vote to take such action with regard to the delinquent Owner in an open Board of Director's meeting to which the delinquent Owner is invited to attend and in

compliance with the Association's Conduct of Meetings Policy. The Board shall record its vote. The Association's Manager may not commence any collection action without first obtaining the approval of the Association's Board as set forth above. Discussion of the delinquency shall be in executive session pursuant to the Association's Conduct of Meetings Policy.

In the event payment is not received from any delinquent Owner within 30 days after the date of the Association's letter referenced above, the Association may pursue any one or all of the following remedies:

3.7.1 File an Assessment lien against the delinquent Owner's property;

3.7.2 Commence and maintain legal proceedings (lawsuits seeking personal judgments and foreclosure actions) for the recovery of delinquent Assessments, late fees, interest, attorney fees and costs as may be allowed by the Association Documents or CCIOA (foreclosure actions may not be initiated for unpaid fines, interest or late fees alone);

3.7.3 Pursue collection of judgments obtained against Owner;

3.7.4 Take all other lawful action necessary to collect delinquent Assessments in accordance with the Association Documents and Colorado law; and

3.7.5 Suspend the voting rights of the delinquent Owner during the duration of the delinquency.

If the Association fails to follow the procedures set forth above it shall not be construed as any waiver or release of a delinquent Owner's obligation to pay Assessments or the Association's right to collect the Assessments in accordance with this Policy, the Association Documents and CCIOA.

Should the Association pursue foreclosure of its assessment lien, no member of the Association's Board of Directors, the Association's Manager, or any of the Manager's employees, or the Association's legal representative or any member of said law firm, or any family member of any of the preceding, shall be permitted to purchase a foreclosed home or unit.

4. Enforcement. Either the Association or an Owner seeking to enforce this Policy, or any rights and responsibilities under the Governing Documents or this Policy related to disputes arising out of assessments, fines or fees owed to the Association and for which the amount does not exceed \$7,500.00, exclusive of interest and costs, may file a claim in Small Claims Court for such enforcement, including injunctive relief.

5. Violation of Foreclosure Laws. Should the Association violate this Policy, or any law of the State of Colorado with regard to foreclosure, the affected Owner may, within five (5) years of the violation, file a civil lawsuit in a court of competent jurisdiction to seek damages. The court may award up to \$25,000.00, plus costs and reasonable attorney fees, if the Owner proves the violation by a preponderance of the evidence.

6. **Association's Attorney Fees and Costs.** Any delinquent Owner shall be responsible for attorney fees and costs incurred by the Association in the collection of past due Assessments pursuant to this Policy, the Association Documents and CCIOA. No attorney fees shall be assessed to any delinquent Owner until all notice requirements set forth in this Policy have been complied with. Where litigation is filed to collect past due Assessments, the Court shall determine the reasonableness of all attorney fees and costs.

7. **Foreclosure and Bankruptcy Notices.** If the Association receives any bankruptcy or foreclosure notice regarding an Owner with unpaid Assessments, the Association may seek advice from its attorney regarding the appropriate action to be taken.

8. **Variations.** The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

9. **Amendment.** This Policy may be amended from time to time by the Board.

CERTIFICATION

The undersigned, being the duly elected and acting President or Secretary of the Red Fox Meadow Homeowners Association, a Colorado nonprofit corporation ("Association") certifies that the foregoing Policy for Collection of Unpaid Assessments was approved by the vote of a majority of the Association's Directors at a meeting of the Association's Board of Directors held on August 1, 2022.

Red Fox Meadow Homeowners Association, a
Colorado nonprofit corporation

By:



Procedures for Handling of Conflicts of Interest involving Board Members required by Colorado Common Interest Ownership Act 38-33.3-209.5(1)(b)(II)

Section 1. All Directors shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to, the Association and Owners. All Directors shall comply with all lawful provisions of the Association's protective Covenants, Articles, Bylaws, Rules, and Regulations.

Section 2. Any duality of interest or possible conflict of interest on the part of any Director shall be disclosed to the other Directors as soon as that Director becomes aware of such duality of interest or possible conflict, so that the other Directors may have the opportunity to consider the circumstances before any action is taken on the matter giving rise to the duality of interest or possible conflict.

Section 3. In any event, if any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a member of the Board or a parent or spouse of any of those persons, that member of the Board shall declare a conflict of interest for that issue. In addition to the disclosure required in Section 2 above, the member shall declare the conflict in an open meeting prior to any discussion or action on that issue. After making such a declaration, the member may participate in the discussion but shall not vote on the issue.

**RED FOX MEADOW HOMEOWNERS ASSOCIATION
POLICY FOR CONDUCTING ASSOCIATION MEETINGS
Effective: August 9, 2022**

1. Introduction.

The Board of Directors ("Board") of Red Fox Meadow Homeowners Association, a Colorado nonprofit corporation ("Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions for Red Fox Meadow ("Declaration") (such documents being collectively referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act, as amended ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purpose.

The purpose of this Policy is to emphasize that meetings of the Association's Board and its Members must be conducted in accordance with the Association Documents and applicable law. The Association Documents (in particular, its Bylaws), CCIOA and the Colorado Revised Nonprofit Corporation Act, as amended ("Nonprofit Act") contain numerous provisions governing meetings of the Association's Members and Directors including, without limitation, provisions regarding notices, quorums, proxies, voting and Member participation in the meetings. It is not the intent of this Policy to restate those provisions, but rather to provide overall guidance on the requirements governing the conduct of Association meetings.

3. Member Meetings.

3.1 Governing Documents and Laws. Meetings of the Association's Members shall be conducted in accordance with the requirements of the Association Documents (especially the Bylaws), CCIOA and the Nonprofit Act, to the extent applicable.

3.2 Parliamentary Procedure. Unless otherwise provided in the Association Documents, and except as set forth in the code of conduct below, meetings of the Members shall be conducted in accordance with (a) Robert's Rules of Order Newly Revised, or (b) such other generally recognized rules of parliamentary procedure as may be adopted by resolution of the Board.

3.3 Code of Conduct. The following code of conduct shall apply to meetings of the Members:

3.3.1 Anyone wishing to speak must first be recognized by the meeting chair.

3.3.2 Members shall not interrupt anyone who validly has the floor.

3.3.3 When speaking, Members shall abide by any time limits set by the meeting chair for comment.

3.3.4 Members shall at all times speak and otherwise behave with common courtesy and civility. In particular, Members shall refrain from personal attacks, and from using profane, rude or threatening language.

3.3.5 Any comments should be relevant to the agenda item being discussed.

3.3.6 No Member may speak for a second time on an issue until everyone who wants to speak about that issue has been given the chance to speak once.

3.3.7 Members may not speak more than twice on any one issue, subject to the discretion of the meeting chair.

3.3.8 Members shall obey all orders made by the meeting chair, including an order to step down (i.e., an order to stop speaking and yield the floor).

3.4 Order of Business. Unless otherwise provided in the Association Documents, or unless a different order of business is set forth in any meeting agenda established by the Board, the order of business at meetings of the Members will be the following:

- Establish quorum.
- Call meeting to order.
- Approval of minutes of prior meeting.
- Reports of committees/officers.
- Election of directors (if annual meeting).
- Unfinished business.
- New business.
- Adjournment.

3.5 Meeting Minutes. Minutes of Member meetings will be taken by (a) the Association Secretary, (b) in the absence of the Secretary, any other officer designated by the President, or (c) a representative of the Association's management company, provided that the Secretary must review and approve the minutes prepared by such representative, and further provided that the Secretary is ultimately responsible for the accuracy of the minutes. The minutes will be maintained in the Association's permanent records. Because minutes of Member meetings will be taken, and in order to encourage full discussion by the Members, no Member meeting may be recorded by audio or video means unless otherwise allowed by the Board in its sole discretion.

3.6 Proxies. Votes allocated to a Unit or Lot may be cast pursuant to a duly executed proxy by the Unit or Lot Owner. If a Unit or Lot is owned by more than one person, each owner of the Unit or Lot may vote or register a protest to the casting of votes by the other owners of the Unit or Lot through a duly executed proxy. A Unit or Lot owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable

without notice. A proxy terminates eleven months after its date unless the proxy itself indicates an earlier termination date.

4. Board Meetings.

4.1 Governing Documents and Laws. Meetings of the Association's Board shall be conducted in accordance with the requirements of the Association Documents (especially the Bylaws), CCIOA and the Nonprofit Act, to the extent applicable.

4.2 Parliamentary Procedure. Unless otherwise provided in the Association Documents, and except as set forth in the code of conduct below, meetings of the Board shall be conducted in accordance with (a) Robert's Rules of Order Newly Revised or (b) such other generally recognized rules of parliamentary procedure as may be adopted by resolution of the Board.

4.3 Code of Conduct. The following code of conduct shall apply to meetings of the Board:

4.3.1 Directors shall conduct themselves in a professional and businesslike manner.

4.3.2 No personal attacks may be made against other Directors, Association Members, residents or managing agents.

4.3.3 Directors shall at all times speak and otherwise behave with common courtesy and civility. In particular, Directors shall refrain from personal attacks, and from using profane, rude or threatening language.

4.3.4 Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.

4.4 Order of Business. Unless otherwise provided in the Association Documents, or unless a different order of business is set forth in any meeting agenda established by the Board, the order of business at meetings of the Board will be the following:

- Establish quorum.
- Call meeting to order.
- Approval of minutes of prior meeting.
- Reports of committees/officers.
- Election of officers (if annual meeting).
- Unfinished business.
- New business.
- Adjournment.

4.5 Meeting Minutes. Minutes of Board meetings will be taken by (a) the Association Secretary, (b) in the absence of the Secretary, any other officer designated by the President, or (c) a representative of the Association's management company, provided

that the Secretary must review and approve the minutes prepared by such representative, and further provided that the Secretary is ultimately responsible for the accuracy of the minutes. The minutes will be maintained in the Association's permanent records. Because minutes of Board meetings will be taken, and in order to encourage full discussion by the Directors, no Board meeting may be recorded by audio or video means unless otherwise allowed by the Board in its sole discretion.

4.6 Executive Sessions. Executive or closed-door sessions of the Board shall be conducted in accordance with CCIOA (C.R.S. § 38-33.3-308). Specifically with regard to delinquency issues with regard to Members, all discussions regarding delinquency shall be held in executive session. In order to proceed with collection action against any member, after compliance with all requirements of the Association's Collection of Unpaid Assessments Policy, a majority of the Board, at a meeting at which a quorum is present, must vote to pursue collection. Upon request of the delinquent member has the right to request the results of any relevant vote regarding the Member's delinquency. A record of such vote will be maintained in the Association's permanent records.

5. **Variances.**

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

6. **Amendment.**

This Policy may be amended from time to time by the Board.

CERTIFICATION

The undersigned, being the duly elected and acting President or Secretary of the Red Fox Meadow Homeowners Association, a Colorado nonprofit corporation ("Association") certifies that the foregoing Policy for Conducting Association Meetings was approved by the vote of a majority of the Association's Directors at a meeting of the Association's Board of Directors held on August 1, 2022.

Red Fox Meadow Homeowners Association, a
Colorado nonprofit corporation

By: Douglas R. Donaldson

**RED FOX MEADOW HOMEOWNERS ASSOCIATION
POLICY FOR ENFORCEMENT OF COVENANTS AND RULES
(INCLUDING NOTICE AND HEARING PROCEDURES AND SCHEDULE OF FINES)
Effective: August 9, 2022**

1. Introduction.

The Board of Directors ("Board") of Red Fox Meadow Homeowners Association, a Colorado nonprofit corporation ("Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions for Red Fox Meadow ("Declaration") (such documents being collectively referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act, as amended ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purposes. The purposes of this Policy are to:

2.1 Set forth procedures and rules to promote the consistent enforcement of the Association Documents, in accordance with the Association Documents and CCIOA, specifically as amended by HB 22-1137;

2.2 Provide a framework for mediation of disputes between the Association and Owners, except those related to collection of past due assessments or matters that may require an injunction, restraining order or protection order; and

2.3 Provide Owners with notice of the schedule of fines for violations of the Association Documents.

3. Mediation.

3.1. Request for Mediation. In the event of a dispute between the Association and any Owner, except disputes regarding past due assessments or any matter that may require an injunction, restraining order or protection order, either the Association or an Owner may request mediation by an independent, third-party mediator. A request for mediation ("Request") must be in writing and mailed to the Association or Owner by U.S. Mail, first class postage prepaid, to such address for the recipient shown by the public records. The Request shall be considered effective three days following deposit in the mail. The parties shall make reasonable efforts to select a mediator and schedule mediation of the dispute within 30 days after the effective date of the Request, or such longer time as the parties may agree upon in writing. If the mediation does not occur within 30 days (or longer if so agreed in writing), or the parties are unable to settle the dispute through mediation, the Association or Owner may pursue any other lawful remedy allowed by the Association Documents or Colorado law.

3.2 Mediation Fees and Costs. Fees and costs associated with the mediation, including payment of fees to the mediator, shall be paid as follows:

3.2.1 The requesting party shall pay the mediator in advance for the first two hours of mediation.

3.2.2 If the mediation lasts more than two hours, the mediator's fees for time beyond the first two hours shall be divided equally between the Association and Owner(s) and paid at the conclusion of the mediation.

3.2.3 The Association and any participating Owner may be represented by their respective attorneys at the mediation. Each party shall pay their respective attorney fees associated with the mediation.

3.2.4 If an Owner requests mediation but fails to appear at the date and time scheduled for the mediation, the Owner shall pay all expenses of the Association related to the mediation, including attorney fees and costs, and those expenses shall be assessed against the Owner as part of the Owner's Assessment.

3.3. Continuation of Hearing and Imposition of Fines. A request for mediation shall not suspend or stay any hearing or imposition of fines in accordance with the Fine Policy set forth below. Any fines imposed prior to or after a request for mediation shall remain in place or continue to accrue (in the event of a continuing violation where a recurring fine is imposed) pending mediation of the dispute. Unless otherwise agreed at mediation, such fines shall remain legally collectable as Assessments in accordance with the Association Documents and Colorado law.

3.4. Continuation of Legal Proceedings. If a lawsuit for the collection of Assessments or enforcement of the Association Documents is commenced prior to receiving a request for mediation, such request shall not suspend or stay the lawsuit. The lawsuit shall continue forward, in addition to the mediation process described above, unless otherwise agreed upon by the parties in writing.

4. Fine Policy, Notice and Hearing Procedures.

4.1 Fine Policy. The Association may levy fines for violations of the Association Documents in accordance with the following fair and impartial fact-finding process which is designed to determine whether the alleged violation actually occurred and whether the owner allegedly violating the Association Documents is the one who should be held responsible for the violation.

4.2 Notice of Violation ("Notice"). The Notice of Violation process is as follows:

4.2.1 The Association or any member of the Association may report a violation. If reported by a member, the member should report the violation in writing to the Association at the Association's address. If the violation is of the type that can be readily photographed, any report of the violation should include one or more photographs of the violation.

4.2.2 The Board will verify the violation and, if verified, the Board shall issue a written Notice to the violating Owner.

4.2.2(a) For covenant violations that threaten public safety or health, the Notice will describe the nature of the violation, advise the Owner that he/she has seventy-two (72) hours to correct the violation or may be fined and state that the Association may seek to remedy the violation and otherwise protect its rights as specified in the Association Documents and as provided by law. At the conclusion of the seventy-two (72) hour period, the Association shall inspect the Owner's property to determine if the violation has been corrected. If the violation has not been corrected, the Association may impose fines as set forth in Section 4.5 below and take other legal action the Association deems appropriate to correct the violation.

4.2.2(b) For covenant violations that do not threaten public safety or health, the Notice will describe the nature of the violation, advise the Owner that he/she has thirty (30) days to correct the violation or may be fined and state that the Association may seek to remedy the violation and otherwise protect its rights as specified in the Association Documents and as provided by law. The Notice shall be sent to the Owner by certified mail, return receipt requested. No later than seven (7) days after the conclusion of the thirty (30) day period, the Association shall inspect the Owner's property to determine if the violation has been corrected. If the violation has not been corrected, the Association shall send a second Notice to the Owner advising that the violation has not been corrected and that the Owner has an additional thirty (30) days to correct the violation or may be fined and state that the Association may seek to remedy the violation and otherwise protect its rights as specified in the Association Documents and as provided by law. The second Notice shall also be sent to the Owner by certified mail, return receipt requested. If at the conclusion of the second thirty (30) day period the violation has still not been corrected, the Association may impose fines as set forth in Section 4.5 below and take other legal action the Association deems appropriate to correct the violation.

4.2.2(c) Before the expiration of either the first or the second thirty (30) day period to cure the violation, the Owner may send the Association written notice that the violation has been cured, with visual evidence that the violation has been cured and the violation will be deemed cured as of the date the Owner sends the written notice. If the written notice from the Owner does not include visual evidence of the cure, then the Association shall inspect the Owner's property as soon as practicable to determine if the violation has been cured.

4.2.2(d) If the Owner does not provide written notice to the Association that the violation has been cured before the expiration the second thirty (30) day period to cure the violation, then within seven (7) days after the expiration of the second thirty (30) day period the Association shall inspect the Owner's property as soon as practicable to determine if the violation has been cured. If upon inspect the Association determines that the violation has not been cured the Association

may impose fines as set forth in Section 4.5 below and take other legal action the Association deems appropriate to correct the violation.

4.2.2(e) If the Association determines the violation has been cured, the Association shall promptly notify the Owner, in English and such other preferred language as designated by the Owner, that the Owner will not be further fined with regard to the violation and provide notice of any outstanding fine balance owed by the Owner to the Association.

4.2.3 The Notice, together with a copy of this Policy, will be sent via U.S. Mail, first class postage prepaid, return receipt requested, addressed to the last registered address of the Owner as listed in the Association's records. The Notice will be considered effective three days after it is deposited in the mail.

4.2.4 Any Owner may designate in writing that all Notices regarding covenant violations are to be in a language other than English and, in such case, the Association must provide the Notice to the Owner in the preferred language as designated by the Owner and in English.

4.3 Requests for Hearing. Any Owner receiving a violation Notice has the right to request a hearing before the Board as the Association's impartial decision-maker. To request a hearing, the Owner must contact the Association in writing within seven (7) days after the effective date of the Notice. The Association's Board shall then set a date for the hearing as soon as is practicable. If the hearing, for whatever reason, cannot be held prior to the date when the fine is otherwise scheduled to commence, the date the fine begins shall be extended to the day following the hearing. No Board member may have any direct personal or financial interest in the outcome of the hearing process. A Board member shall not be deemed to have a direct personal or financial interest in the outcome if the Board member will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. Any Board member who does have any direct personal or financial interest in the outcome of the hearing process shall not participate in the hearing. The purposes of the hearing are to (1) determine if the Owner receiving the Notice should be held responsible for the alleged violation, (2) evaluate any mitigating circumstances, and (3) make arrangements for bringing the violation into compliance over a period of time if warranted.

The hearing process will not and cannot be used to determine if a particular provision of the Association Documents is desirable.

4.4 Hearing Procedure. The general procedure for the hearing is as follows:

4.4.1 The presiding Board member shall (1) establish a quorum, (2) explain the Fine Policy and procedures, and (3) describe the nature of the violation as specified in the Notice.

4.4.2 The Owner may then provide rebuttal to the Notice using witnesses or any other information deemed relevant and necessary.

4.4.3 After all testimony and other evidence has been presented, the Board shall decide whether the Owner should be held responsible for the alleged violation. If the Board finds that the Owner has violated the Association Documents, a fine shall then be assessed by the Board or mutually agreeable arrangements made with the Owner to ensure correction of the violation and compliance in the future. If the Board finds that the Owner should not be held responsible for the alleged violation, then (1) no fine shall be assessed, and (2) the Association shall not allocate to that Owner's Association account any of the Association's costs or attorneys' fees incurred in asserting or hearing the alleged violation.

4.5 Fines. If an Owner fails to timely correct a violation as set forth in Section 4.2 above, then the Board shall fine the Owner \$100.00 and written notice of the fine shall be provided to the Owner ("Initial Fine Letter"). If the violation is not corrected within ten (10) days of the date of the Initial Fine Letter, then the Board shall fine the Owner an additional \$150.00 and written notice of the additional fine shall be provided to the Owner ("Second Fine Letter"). If the violation is still not corrected within ten (10) days of the date of the Second Fine Letter, then the Board shall fine the Owner \$250.00 and written notice of the fine shall be provided to the Owner. In the alternative, the Association may fine the Owner the sum of \$50.00 every other day, up to a maximum of \$500.00, until the violation is corrected. In no circumstance may the Owner be fined in excess of \$500.00 per violation. The Owner is responsible for notifying the Association in writing if and when the violation has been corrected.

4.6 Injunction. If the violation has not been corrected within 60 days after the Notice, the Association may commence the necessary legal proceedings under the Association Documents or under Colorado law to compel correction of the violation as well as to recover any unpaid fines, court costs, attorneys' fees and other Association expenses arising from the violation. Nothing in this paragraph shall preclude the Association from commencing legal proceedings to correct the violation prior to expiration of the 60-day period.

4.7 Collection of Fines. Assessed fines shall be billed to the Owner pursuant to the Association's policy for Collection of Unpaid Assessments and are legally collectable as Assessments in accordance with the Association Documents and Colorado law. The fines are the personal obligation of the violating Owner and, in addition, constitute a lien against such Owner's property. Furthermore, the violating Owner is responsible for all costs and reasonable attorney fees incurred by the Association as a result of the violation.

4.8 Repeat Violations. A "repeat violation" is a violation committed by an Owner which is the same as the original violation committed by that Owner, and which occurs within twelve months after the original violation. A repeat violation is considered a continuation of the original violation, and thus an Owner committing a repeat violation is not entitled to the same hearing procedures set forth above. However, the Association shall provide Notice of the repeat violation to the Owner in accordance with Section 4.2 above. If the repeat violation has not been corrected within the time period specified in the Notice for correction of the violation, then the fine (which will be determined by the Board and may be up to double the amount of the fine assessed for the original violation

but shall in no event exceed \$500.00 per violation) will commence upon the expiration of the correction time period, notwithstanding any other provisions of this Fine Policy to the contrary. An Owner committing a repeat violation shall have no right to a hearing on such repeat violation before the Board.

4.9 Fines Not Exclusive Remedy. Fines levied under this Policy are not the Association's exclusive remedy for addressing a violation. Nothing in this Fine Policy precludes the Association from pursuing any other remedy provided under the Association Documents or under Colorado law for correcting the violation.

5. Variations. The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

6. Amendment. This Policy may be amended from time to time by the Board.

CERTIFICATION

The undersigned, being the duly elected and acting President or Secretary of the Red Fox Meadow Homeowners Association, a Colorado nonprofit corporation ("Association") certifies that the foregoing Policy for Enforcement of Covenants and Rules (Including Notice and Hearing Procedures and Schedule of Fines) was approved by the vote of a majority of the Association's Directors at a meeting of the Association's Board of Directors held on August 1, 2022.

Red Fox Meadow Homeowners Association, a
Colorado nonprofit corporation

By: 

Policy for Inspection and Copying of Association Records by Unit Owners as required by Colorado Common Interest Ownership Act 38-33.3-209.5(1)(b)(V)

Homeowners may access records of their Association by registering on-line at www.touchstone-property.com. Each Homeowner must complete the registration form and have their “ownership of record” verified. They are then allowed access to records including the following:

- Governing Documents including Articles of Incorporation, Declaration of Covenants, Bylaws, and Rules and Regulations.
- Financials, including the current Budget
- Balance sheet
- Annual Minute Minutes—Approved for past year and Draft for the current year
- Board of Directors’ Minutes—Approved within the past six months, excluding minutes of any Executive Sessions.
- Calendar for upcoming events
- Announcements
- Board member section (only accessible if a Board member)

If a Homeowner wants to view the actual records, the Homeowner should make an appointment at least five business days in advance during regular business hours.

Policy for Investment of Reserve Funds required by Colorado Common Interest Ownership Act 38-33-33.3-209.5 (1)(b(VI))

Funds of the Association will only be invested in accounts or other financial instruments which are insured by the Federal Deposit Insurance Corporation (FDIC). Reserve funds of the Association shall be placed in an account which requires two signatures, either that of the Managing Agent and one HOA Director, or two HOA Directors.

Procedures for Adopting and Amending Policies and Procedures required by Colorado Common Interest Ownership Act 38-33.3-209.5 (1)(b)(VII) and for Adopting and Amending Rules

When the Board determines that there may be a need for a Rule, a change in a Rule, or a change in an existing policy or procedure required by 38-33.3-209.5 of the Colorado Common Interest Ownership Act, the Board or a committee appointed by the Board shall:

1. Determine the need for a new Rule, changes in an existing Rule, or changes in a policy or procedure required under the Act;
2. Evaluate the impact of the scope and importance of the issue and verify that action is necessary;
3. Draft the Rule or statutory required change;
4. Verify that the Rule or statutory required change is valid and enforceable;
5. Give at least 30 days notice of the Rule or statutory required change to Owners and solicit comments;
6. Consider the comments and determine if the draft Rule or statutory required change shall be adopted;
7. If adopted, give notice to Owners before enforcement begins.