

**POLICY OF COLOROW AT SQUAW CREEK HOMEOWNERS ASSOCIATION  
REGARDING PROCEDURES FOR COLLECTION OF UNPAID ASSESSMENTS**

**SUBJECT:** Adoption of a policy and procedure regarding the collection of unpaid assessments.

**PURPOSE:** To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE  
DATE:**

January 1, 2024

**RESOLUTION:** The Association hereby adopts the following policy:

The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1st day of each quarter. Assessments or other charges not paid in full to the Association within thirty (30) days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within thirty (30) days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the Lot shall also be charged any costs incurred by the Association in giving notice of such acceleration.
2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.
3. Late Charges on Delinquent Installments. The Association shall impose on a quarterly basis a \$50.00 late charge for each Owner who fails to timely pay any assessment within thirty (30) days of the due date. This late charge shall also be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of 8% per annum on the amount owed for each Owner who fails to timely pay their quarterly installment of any assessment within thirty (30) days of the due date.

4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the Lot for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.
5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Policy, a return check fee, not to exceed \$20.00, plus any charges imposed upon the Association by the Association's bank with respect to such returned check, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Lot for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Policy after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of any assessment is not timely made within thirty (30) days of the due date.
6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.
7. Repayment Plan. Any Owner who becomes delinquent in payment of assessments may enter into a repayment plan with the Association, which plan shall be for a minimum term of eighteen (18) months or such other

longer term as may be approved by the Board of Directors. The repayment plan may be evidenced by a Repayment Agreement duly executed by the Owner and the Association.

Such repayment plan shall be offered to each Owner prior to the Association referring any account to an attorney or collection agency for collection action. Under the repayment plan, the Owner may choose the amount to be paid each month, so long as each payment is at least twenty-five dollars (\$25.00) until the balance of the amount owed is less than twenty-five dollars (\$25.00).

The Owner shall be deemed to be in default of the repayment plan and the repayment plan with the Association shall be null and void if within thirty (30) days after the Association has provided the Owner with a written offer to enter into a repayment plan, the Owner either declined the repayment plan; or after accepting the repayment plan, failed to pay at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due.

If the Owner does not confirm written acceptance of the repayment plan and/or execute a Repayment Agreement within thirty (30) days after the Association has provided the Owner with a written offer to enter into a repayment plan, the offer shall be deemed to be declined.

In the event the Owner defaults or otherwise does not comply with the terms and conditions of the repayment plan, including the payment of ongoing assessments of the Association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency in which case the Owner shall be responsible for all costs of collection, including reasonable attorney's fees, as provided in Section 8 below.

An Owner who has entered into a repayment plan may elect to pay the remaining balance owed under the repayment plan at any time during the duration of the repayment plan.

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

incurred by the Association shall be due and payable immediately when incurred, upon demand.

9. Application of Payments. Once an account is referred to the Association's attorney, all sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. The Association may prohibit the Owner from accessing any online payment portal until the account is brought current. All payments received on account of any Owner or the Owner's Lot (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any assessments owed, then to any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Policy.
10. Collection Process.
  - (a) After an installment of an annual assessment or other charges due to the Association becomes more than thirty (30) days delinquent, the Association shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late charges have accrued and request for immediate payment. This First Notice shall be sent by regular first class mail and, if provided, by email.
  - (b) After an installment of an annual assessment or other charges due to the Association becomes more than sixty (60) days delinquent, the Association shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late charges have accrued, notice of intent to file a lien and request for immediate payment. The Association's notice, at a minimum shall include the following:
    - (i) The total amount due to the Association along with an accounting of how the total amount was determined.
    - (ii) Whether the Owner may enter into a repayment plan and instructions for contacting the Association to arrange for and enter into a repayment plan.
    - (iii) A name and contact information for an individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.

- (iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's Lot, or other remedies available under Colorado Law including revoking the Owner's right to vote if permitted in the Bylaws or Declaration.
  - (v) Specify 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 unpaid assessments may lead to foreclosure.
  - (vi) Include a description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's covenant violation cure process as laid out in the Association's Covenant and Rule Enforcement Policy.
  - (vii) Include 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.
- (c) This Second Notice will be provided to the Owner in the following manners:
- (i) Certified mail, return receipt requested; and
  - (ii) Physically posted on the Owner's Lot at the Association; and
  - (iii) By one of the following manners:
    - i. First-class mail;

- ii. Text message to a cellular number that the Association has on file because the Owner has provided the cellular number to the Association; or
  - iii. Email to an email address that the Association has on file because the Owner has provided the email address to the Association.
- (d) After an installment of an annual assessment or other charges due to the Association becomes more than ninety (90) days delinquent, the Association shall turn the account over to the Association's attorney for collection.

Any collection account referred to an attorney for collections shall first be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken, pursuant to the Association's Conduct of Meetings Policy.

Upon receiving the Owner's delinquent account, the Association's attorney may file a lien and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a lawsuit or further collection action. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney fees together with the cost of the action and any applicable interest and late charges.

In addition to the steps outlined above, even after the Owner has been sent to the attorney for collections, on a monthly basis, the Association shall send any Owner with an outstanding balance due an itemized list of all assessments, fines, fees, and charges that the Owner owes the Association. A ledger going back to the last zero balance can satisfy this requirement.

This monthly notice shall be sent by first-class mail. The monthly notice shall also be sent by email if the Association has an email address for the Owner.

This monthly notice shall be sent in English unless the Owner has indicated a preference for notices to be sent in another language.

If the Owner has identified a designated contact, this notice shall be sent to both the Owner and a copy sent to the designated contact.

This notice may not contain additional legal fees and legal costs that have been incurred by the Association but have not yet been posted to the ledger. As such, the Owner is required to communicate with the collection attorney to obtain the most up to date balance.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a repayment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.
12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of quarterly installments of the annual assessment and other charges.

Due Date (date payment due)	1st day of each quarter day of the month due
Past Due Date (date payment is late if not received on or before that date)	Thirty (30) days after due date
First Notice (notice that late charges and interest have accrued)	Any time after thirty (30) days after due date
Second Notice (notice that late charges and interest have accrued, notice of intent to file lien, required disclosures of the Association and the availability of a	Any time after sixty (60) days after due date

payment plan if applicable)	
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after ninety (90) days after due date

The attorney may consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon the Owner or designee's written request to the Association, made via first class postage prepaid, return receipt requested mail, a written statement from the Association, setting forth the amount of unpaid assessments currently levied against such Owner's Lot at no charge and delivered personally or by certified mail, first class-postage prepaid, return receipt requested. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.  
A status letter provided to a title company or mortgage company in anticipation of a sale of the property or a refinance of the mortgage provides additional information beyond a statement of the total amount due and as such any charges incurred by the Association for providing a status letter shall be charged back to the Owner.
14. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the Association, the Association shall notify its attorney of the same and turn the account over to the Association's attorney, if appropriate.
15. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Association, is authorized to take whatever action is necessary



and determined to be in the best interests of the Association, including, but not limited to:

- (a) Filing of a suit against the delinquent Owner for a money judgment;
- (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
- (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- (d) Filing a court action seeking appointment of a receiver.

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

16. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the Lot and/or property.

17. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

The Association may only approve a foreclosure action after the delinquency equals or exceeds six (6) months of common expenses assessments based on a periodic budget adopted by the Association. The Association may not foreclose on an Owner's Lot if the debt securing the lien consists only of one or both of the following:

- (a) Fines that the Association has assessed against the Owner as a result of covenant violations; or
- (b) Collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines as a result of covenant violations.

If a Lot has been foreclosed on by the Association, the Lot shall not be purchased by a member of the Board of Directors, an employee of the Association's Management Company representing the Association, an employee of the law firm representing the Association, or an immediate family member of any of these individuals.

- 18. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
- 19. Communication with Owners. As to any communication sent by the Association or the Management Company on behalf the Association pursuant to Paragraph 10 of this Policy, the Association or Management Company on their behalf, shall maintain a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made. An Owner may identify another person to serve as a designated contact for the Owner to be contacted on the Owner's behalf. If the Owner identifies a designated contact, the Association shall send any collection correspondence and notices to both the Owner and their designated contact. However, once an Owner is sent to the attorney for collections, all communication will be directly with the Owner until or unless the Owner provides permission directly to the Association's attorney giving permission for the attorney to discuss with the designated contact. An Owner may notify the Association if the Owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send the correspondence and notices in English. If the Owner has notified the Association of a preference other than English, any notices or letters sent pursuant to this Policy shall be sent both in English and in the preferred language.

If an Owner has identified both a designated contact and a preference for a different language, the Association shall send the Owner the correspondence or notice in the preferred language and in English and the designated contact the correspondence or notice in English.

All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. No member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

20. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
21. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.
22. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
23. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.
24. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
25. Amendment. This Policy may be amended from time to time by the Board of Directors.

## **PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Colorow at Squaw Creek Homeowners Association, a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on \_\_\_\_\_ and in witness thereof, the

undersigned has subscribed their name.

**Colorow at Squaw Creek Homeowners  
Association,** a Colorado nonprofit corporation

By: \_\_\_\_\_  
Its: President

**POLICY OF COLOROW AT SQUAW CREEK HOMEOWNERS ASSOCIATION  
ADOPTING PROCEDURES FOR THE CONDUCT OF MEETINGS**

**SUBJECT:** Adoption of a policy and procedures for conducting Owner and Board meetings.

**PURPOSE:** To facilitate the efficient operation of Owner and Board meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the Association.

**AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE  
DATE:** January 1, 2024

**RESOLUTION:** The Association hereby adopts the following procedures regarding the conduct of meetings:

1. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.
  - (a) **Notice.**
    - (1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted in the community at least three (3) days prior to each such meeting, or as may otherwise be required by Colorado law.
    - (2) The Association shall also post notice on its website of all Owner meetings. Such notice shall be posted three (3) days prior to such meeting.
    - (3) If any Owner has requested the Association provide notice via email and has provided the Association with an email address, the Association shall send notice for all Owner meetings to such Owner at the email address provided at least 24 hours prior to any such meeting.

**(b) Conduct.**

- (1) All Owner meetings shall be governed by the following rules of conduct and order:
  - (A) The President of the Association or designee shall chair all Owner meetings;
  - (B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies, and receive ballots as appropriate (See section below regarding voting);
  - (C) Any person desiring to speak shall sign up on the list provided at check in and indicate if they are for or against an agenda item;
  - (D) Anyone wishing to speak must first be recognized by the chair;
  - (E) Only one person may speak at a time;
  - (F) Each person who speaks shall first state their name and address;
  - (G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for them;
  - (H) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed;
  - (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting;
  - (J) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased

by the chair, but shall be uniform for all persons addressing the meeting;

- (K) All actions and/or decisions will require a first and second motion;
- (L) Once a vote has been taken, there will be no further discussion regarding that topic;
- (M) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video, or otherwise recorded. Minutes of actions taken shall be kept by the Association;
- (N) Anyone disrupting the meeting, as determined by the chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting; and
- (O) The chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

- (1) Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the secretary of the Association or the secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.
- (2) Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice, or by ballot. Notwithstanding the above, uncontested elections of Board members or other votes on matters affecting the Association shall be by secret ballot at the discretion of the Board or upon the request

of 20% of the Owners who are present at the meeting or represented by proxy.

- (3) Written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the chair or another person presiding during that portion of the meeting.
- (4) The individual(s) counting the ballots shall report the results of the vote to the chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

**(d) Proxies.** Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

- (1) All proxies shall be reviewed by the Association's secretary or designee as to the following:
  - (A) Validity of the signature;
  - (B) Signatory's authority to sign for the Lot Owner;
  - (C) Authority of the Lot Owner to vote;
  - (D) Conflicting proxies; and
  - (E) Expiration of the proxy.

2. Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

**(a) Conduct.**

- (1) All Board meetings shall be governed by the following rules of conduct and order:
  - (A) The president of the Association, or designee, shall chair all Board meetings;



- (B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and Lot address;
- (C) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate at the time of sign in;
- (D) Anyone desiring to speak shall first be recognized by the chair;
- (E) Only one person may speak at a time;
- (F) Each person speaking shall first state their name and address;
- (G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them;
- (H) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed;
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks, or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand;
- (J) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the chair but shall be uniform for all persons addressing the meeting;
- (K) No meeting of the Board may be audio, video, or otherwise recorded except by the Board to aid in the preparation of minutes; and

- (L) Anyone disrupting the meeting, as determined by the chair, shall be asked to “come to order.” Anyone who does not come to order shall be requested to immediately leave the meeting.

**(b) Owner Input.**

After a motion and second have been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the Board, Owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion as follows:

- (1) The chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.
- (2) Following Owner input, the chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

- (c) Board Action Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

**(d) Executive Sessions.**

- (1) The members of the Board may hold a closed door, executive session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting for discussion of the following:
  - (A) Matters pertaining to employees of the Association or the manager’s contract or involving the employment, discipline, or dismissal of an officer, agent, or employee of the Association;

- (B) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
  - (C) Investigative proceedings concerning possible or actual criminal misconduct;
  - (D) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including a disciplinary hearing regarding a Lot Owner and any referral of delinquency;
  - (E) Review of or discussion relating to any written or oral communication from legal counsel;
  - (F) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure.
- (2) Prior to holding a closed-door session, the president of the Association, or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above;
  - (3) No rule or regulation or amendment to the Bylaws or the Articles of Incorporation shall be adopted during a closed session. The foregoing documents may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following a closed session; and
  - (4) The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session. Minutes of executive sessions may be kept but are not subject to disclosure pursuant to the Association's policy regarding inspection of records.
3. Definitions. Unless otherwise defined in this policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
  4. Supplement to Law. The provisions of this policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

5. Deviations. The Board may deviate from the procedures set forth in this policy if in its sole discretion such deviation is reasonable under the circumstances.
6. Amendment. This policy may be amended at any time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Colorow at Squaw Creek Homeowners Association, a Colorado nonprofit corporation, certifies the foregoing policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on \_\_\_\_\_ and in witness thereof, the undersigned has subscribed their name.

**Colorow at Squaw Creek Homeowners  
Association,** a Colorado nonprofit corporation

By: \_\_\_\_\_  
Its: President

**POLICY OF COLOROW AT SQUAW CREEK HOMEOWNERS ASSOCIATION  
REGARDING POLICIES AND PROCEDURES FOR COVENANT  
AND RULE ENFORCEMENT**

**SUBJECT:** Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.

**PURPOSE:** To adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association, and Colorado law.

**EFFECTIVE  
DATE:** January 1, 2024

**RESOLUTION:** The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the Association, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.
2. Complaints. Complaints by Owners or residents, member of the Board of Directors, or a committee member shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.
3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to

the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

4. Violation Which Threatens Public Safety or Health. With respect to any violation of the Declaration, Bylaws, Covenants, or other Governing Documents of an Association that the Board of Directors reasonably determines threatens the public safety or health, the Association shall provide the Lot Owner an initial letter (see Paragraph 7 below) of the violation informing the Lot Owner that the Lot Owner has seventy-two (72) hours to cure the violation or the Association may fine the Lot Owner.
  - a. If, after an inspection of the Lot, the Association determines that the Lot Owner has not cured the violation within seventy-two (72) hours after receiving the notice, the Association may impose fines on the Lot Owner every other day, not to exceed five hundred dollars (\$500.00), and may take legal action against the Lot Owner for the violation.
  - b. Violation Cured by Lot Owner. Once the Association determines that a Lot Owner has cured a violation, the Association shall notify the Lot Owner, in English and in any other language that the Lot Owner has indicated a preference for correspondence and notices pursuant to C.R.S. 38-33.3-209.5 (1.7)(a)(I).
    - i. That the Lot Owner will not be further fined with regard to the violation; and
    - ii. Of any outstanding fine balance that the Lot Owner still owes the Association.
5. Violation Which Does Not Threaten Public Safety or Health. If an Association reasonably determines that there is a violation of the Declaration, Bylaws, Covenants, or other Governing Documents of the Association, other than a violation that threatens the public safety or health, the Association shall, provide a warning letter (see Paragraph 6) regarding the violation to the Owner and providing up to ten (10) days to cure the violation. Upon expiration of the initial cure period, if the violation continues to exist, the

Association shall provide an initial letter (see Paragraph 7 below) regarding the violation and informing the Lot Owner that the Lot Owner has thirty (30) days to cure the violation. Upon expiration of the initial thirty (30) days, the Association, after conducting an inspection and determining that the Lot Owner has not cured the violation, may fine the Lot Owner.

- a. Process to Cure Violation. If a Lot Owner cures the violation within the cure period afforded the Lot Owner, the Lot Owner may notify the Association of the cure and, the Lot Owner sends notice to the Association with visual evidence that the violation has been cured, the violation is deemed cured on the date that the Lot Owner sends the notice. If the Lot Owner's notice does not include visual evidence that the violation has been cured, the Association shall inspect the Lot as soon as practicable to determine if the violation has been cured.
- b. Violation Cured by Lot Owner. Once the Association determines that a Lot Owner has cured a violation, the Association shall notify the Lot Owner, in English and in any other language that the Lot Owner has indicated a preference for:
  - i. That the Lot Owner will not be further fined with regard to the violation; and
  - ii. Of any outstanding fine balance that the Lot Owner still owes the Association.
- c. Failure to Cure Violation by Lot Owner. If the Association does not receive notice from the Lot Owner that the violation has been cured, the Association shall inspect the Lot within seven (7) days after the expiration of the initial thirty (30) day cure period to determine if the violation has been cured. If, after the inspection, the Association determines that the violation has not been cured, the Association may impose a fine, not to exceed five hundred dollars (\$500.00) per violation, pursuant to Paragraph 9 below. A second letter pursuant to Paragraph 8 shall provide an additional thirty (30) day period to cure.

- d. The Association may take legal action pursuant to this section if the two (2) thirty (30) day periods described above have elapsed and the violation remains uncured.
6. Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Lot Owner. The letter must explain the nature of the violation, and the action or actions required to cure the alleged violation. The written notice shall be in English and in any language that the Lot Owner has indicated a preference for correspondence.
7. Initial Letter. If the violation has not been cured following the warning letter, an initial letter shall be sent to the Lot Owner. The letter must be sent via certified mail, return receipt requested if not a public safety or health threat. The letter must explain the nature of the violation, and the action or actions required to cure the alleged violation. The written notice shall be in English and in any language that the Lot Owner has indicated a preference for correspondence. The letter shall provide a Fine Notice as set forth in Paragraph 9.
8. Second Letter. If the alleged violation is not resolved within thirty (30) days of the initial letter, this will be considered a second violation for which a fine or legal action may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the Lot Owner, and shall include a Fine Notice as set forth in Paragraph 9.
9. Fine Notice. The letter(s) shall further state that the Lot Owner is entitled to a hearing on the merits of the matter in front of an impartial decision maker provided that such hearing is requested in writing within ten (10) days of the date on the initial or second letter pursuant to Paragraph 7 and Paragraph 8. On a violation that is a safety/health violation since the letter only provides seventy-two (72) hours to cure, any request for a hearing will be after that period runs but the hearing has to be prior to any fines being applied.
10. Notice of Hearing. If a hearing is requested by the Lot Owner, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least fifteen (15) days prior to the hearing date.



11. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an “Impartial Decision Maker.” An Impartial Decision Maker is defined under Colorado law as “a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the Association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association.” Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.
12. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Neither the Complainant nor the Lot Owner or alleged Violator are required to attend the hearing. The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Hearings will be held in executive session pursuant to C.R.S. 38-33.3-308(4)(e). The Impartial Decision Maker shall, within a reasonable time, not to exceed fifteen (15) days, render its written findings and decision, and impose a fine, if applicable.
13. Failure to Timely Request Hearing. If the Lot Owner fails to request a hearing pursuant to Paragraph 9, or fails to appear at any hearing, the Impartial Decision Maker may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the Lot Owner may be assessed a fine pursuant to these policies and procedures.
14. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Lot Owner within

fifteen (15) days of the hearing, or if no hearing is requested, within fifteen (15) days of the final decision.

15. Fine Schedule for Violations that do Threaten Public Safety or Health. The following fine schedule has been adopted for all

covenant violations that do threaten public safety or health:

First Notice

Initial Letter (§7)

After a Lot Owner has failed to cure a violation which threatens public safety or health within seventy-two (72) hours of being provided written notice of such violation, the Association may fine the Lot Owner fifty dollars (\$50.00) every other day until the violation is cured and may turn over to an attorney to file suit. Any fine notice shall notify the Lot Owner that failure to cure may result in a fine every other day and only one hearing shall be held.

16. Fine Schedule for Violations that do not Threaten Public Safety or Health. The following fine schedule has been adopted for all covenant violations that do not threaten public safety or health. The total amount of fines imposed per violation may not exceed five hundred dollars (\$500.00):

First notice of violation

Warning letter

Up to ten (10) days to comply

No fine

Second notice of violation  
(of same covenant or rule)

Initial Letter (§7)

\$100.00

Thirty (30) days to comply

Third notice of violation  
(of same covenant or rule)

Second Letter (§8)

\$400.00

Additional thirty (30) days to comply

The Association may turn over any violation to the Association's attorney to take appropriate legal action once the two (2) thirty (30) day periods described above have expired.

17. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violation being resolved and staying in compliance with the Articles, Declaration, Bylaws or Rules.

18. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.
19. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
20. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.
21. Amendment. This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Colorow at Squaw Creek Homeowners Association, a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on \_\_\_\_\_ and in witness thereof, the undersigned has subscribed their name.

**Colorow at Squaw Creek Homeowners  
Association,** a Colorado nonprofit corporation

By: \_\_\_\_\_  
Its: President