

**CITY VIEW LOFTS
GOVERNANCE POLICIES AND PROCEDURES
(UNDER SB 100, SB 89 and HB 1359)**

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1. INTRODUCTION AND DEFINITIONS

Definitions. Unless otherwise defined, initially capitalized or terms defined in the Declaration may have the same meaning in these policies and procedures.

Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, the Articles of Incorporation and other governing documents of the Association, as well as the law of the State of Colorado governing the Community.

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

2. INSPECTION AND COPYING OF ASSOCIATION RECORDS POLICIES AND PROCEDURES

Permanent Records. The Association shall permanently retain the following records as required by Colorado law:

- Minutes of all Board and Owner meetings
- All actions taken by the Board or Owners by written ballot or email in lieu of a meeting
- All actions taken by a committee on the behalf of the Board instead of the Board acting on behalf of the Association
- All waivers of the notice requirements for Owner meetings, Board member meetings, or committee meetings

Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:

- (i) The inspection and/or copying of the records of the Association shall be at the Owner's expense.
- (ii) The inspection and/or copying of the records of the Association shall be conducted during regular business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, at the office of the Association's Managing Agent.
- (iii) The Owner shall complete the Association's "Document Review Request" form, which shall be submitted to the Managing Agent, stating the purpose for which the inspection and/or copying is sought, at least five business days before the date on which the Owner wishes to inspect and/or copy such records; and
- (iv) Failure to properly complete or sign the required request form shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.

- (v) The Association reserves the right to have a third person present to observe during any inspection of record by an Owner or the Owner's representative.

Proper Purpose/Limitation on Unrelated and Commercial Uses. Association records, including membership lists, shall not be used by any Owner for:

- (i) Any purpose unrelated to an Owner's interest as an Owner;
- (ii) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
- (iii) Any commercial purpose;
- (iv) For the purpose of giving, selling, or distributing such Association records to any person; or
- (v) Any improper purpose as determined in the sole discretion of the Board.

Exclusions. The following records of the Association shall NOT be available for inspection and/or copying as they are deemed confidential:

- (i) Attorney-client privileged documents and records, unless the Board decides to disclose such communications at an open meeting or otherwise;
- (ii) Any documents that are confidential under constitutional, statutory or judicially imposed requirements;
- (ii) Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of birth, personal bank account information, and driver's license numbers;
- (iii) Such other records as reasonably determined by the Association or the Board.

Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, including the cost to search, retrieve, and copy the record(s) requested. The Association may require advance payment and/or a deposit equal to the anticipated actual cost of the requested records. Failure to pay such advance payment and/or deposit shall be valid grounds for denying Owner copies of such records. If after payment of the advance and/or deposit it is determined that the actual cost was more, Owner shall pay such amount prior to delivery of the copies, or, after written notice to and demand from the Association. If after payment of the advance fee or deposit it is determined that the actual cost was less, the difference shall be returned to the Owner with the copies.

Original Records. No Owner shall remove any original book or record of the Association from the place of inspection or from the records of the Association. No Owner may alter, destroy or mark in any manner, any original book or record of the Association.

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

3. COLLECTION POLICIES AND PROCEDURES

Due Dates. The monthly installments of the annual assessment (as determined by the Association and as allowed for in the Declaration) are due and payable on the first day of each month. Assessments or other charges not paid in full to the Association by the 10th of the month are past due and delinquent.

Late Charges on Delinquent Installments. The Association may impose, on a monthly basis, a \$25.00 late charge for each Owner who fails to pay his/her monthly installment of the annual assessment by the 16th of the month. This late charge is a "common expense" for each delinquent Owner.

Interest. The Association may impose interest from the date due at the rate of 21% per annum, after any installment or sums are not paid within the month due or are more than 30 days past due.

Collection Process.

- (a) After an installment of an annual assessment or other charges due to the Association, becomes delinquent, the Association may send a notice of delinquency, with late charge, to the unit Owner who is delinquent in payment. This notice will be sent any time after the 15th of the month but before the 30th.
- (b) After an installment of an annual assessment or other charge due to the Association has been due for 45 days, the Association may send an Intent to Lien Notice. This notice will be sent any time after the 16th of the month but before the 30th.
- (c) After payment is not received within 75 days after the due date, the Association may cause a Notice of Lien to be filed. The Association, or authorized agent of the Association, may turn the delinquent account over for collection. Upon receiving the delinquent account, the Association's attorney may send a letter to the delinquent owner demanding immediate payment for past due assessments or other charges due. If a judgment or decree is obtain, including an Association foreclosure action, such judgment or decree shall include reasonable attorneys' fees together with the cost of the action and any applicable interest and late fees.
- (d) After payment is not received within 90 days after the due date, the Association may suspend trash removal services to the property of that Owner.

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 reasonable fee, not to exceed \$35.00 may be assessed against an Owner in the event any check or other instrument attributable 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. The Association shall also be entitled to all additional remedies as may be provided by applicable law.

Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association is 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.

Application of Payments. All sums collected on a delinquent account that has been turned over for collection attorney shall be remitted to the Association's attorney or collection agent until the account is brought current. All payments received on account of any Owner or the Owner's property ("Owner"), shall be applied to payment of any and all legal fees and costs (including attorney fees), 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, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

Acceleration and Deceleration of Assessments. The Association reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Association also reserves the right to decelerate an accelerated assessment.

Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a reasonable fee. However, if the account has been turned over for collection, such request may be handled through the attorney or collection agent.

Bankruptcies of Owner and Foreclosures by Lenders to Owners. 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 unit within the association, the manager may notify the Association's attorney or collection agent of the same and turn the account over for collection, if appropriate.

Use of Certified Mail/Regular Mail. In the event the Association may cause a collection or demand letter or notices to be sent to a delinquent Owner (other than monthly statements and other routine notices), such letters or notices may be sent by registered or certified mail.

Remedies.

- (a) Lawsuits on Promise to Pay. The Association has all of the remedies available to it under the Declaration and Colorado law, including a lawsuit against an Owner who has sums due the Association, based on the covenant (or promise) to pay the Association as set forth in the Declaration.
- (b) 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.

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 rent according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.

Waivers. The Association is authorized to extend the time for the filing of lawsuits and liens, or to modify the procedures contained in this Policy, as the Association may determine appropriate under the circumstances.

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.

4. CONDUCT OF MEETINGS POLICIES

Notice for/of Owner Meetings/Posting. In addition to any notice required in the governing documents, notice of any meeting of the Owners shall be conspicuously posted prior to such meeting.

Notice for/of Owner Meetings/Website. The Association may also post notice on its website (if any) of all meetings. Such notice shall be posted seven days or in a reasonable time prior to such member meeting.

Notice for/of Owner Meetings/Email. Where possible, the Association shall provide notice via email of all Owner meetings to all Owners as soon as possible after notice is provided pursuant to the governing documents, but in no case less than 24 hours prior to any such meeting.

Conduct of Members at Owner Meetings. All Owner Meetings shall be governed by the following rules of conduct and order:

- The President of the Association or designee shall chair all Owner meetings.
- 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).

- Any person desiring to speak shall sign up on the list provided at check in (if any).
- Anyone wishing to speak must first be recognized by the Chair.
- Only one person may speak at a time.
- Each person who speaks shall first state his or her name and address.
- 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 him/her.
- Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
- 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.
- When necessary, speaking time limits may be imposed by the Chair, but shall be uniform for all persons addressing the meeting.
- All actions and/or decisions require a motion and a second.
- Once a vote has been taken, there will be no further discussion regarding that topic.
- 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.
- 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 leave the meeting immediately.
- The Chair may establish such additional rules of order as may be necessary from time to time.

Voting of Owners. Election of Board members shall be conducted by secret ballot for contested elections (where more candidates are running than there are positions available). Uncontested elections of Board Members or other votes on matters affecting the community 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. Where secret balloting is used, each Owner entitled to vote pursuant to the governing documents 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.

All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors or Chair of the meeting, including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

Written ballots shall be counted by a neutral third party, excluding the Association’s legal counsel, or by an Owner(s) who is not a candidate or a board member. The Chair may specify the procedure for selecting these volunteers.

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 or candidate.

Proxies for/at Owner Meetings. Proxies may be given by any owner as allowed by C.R.S. 7-127-203. All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- Validity of the signature
- Signatory's authority to sign for the owner
- Authority of the Owner to vote
- Conflicting proxies
- Expiration of the proxy

Executive Board Meetings. Meetings of the Executive Board of the Association shall be called pursuant to the Association's governing documents.

Conduct at Executive Board Meetings. All Executive Board meetings shall be governed by the following rules of conduct and order:

- The President of the Association, or designee, shall chair all Board meetings.
- All persons who attend a meeting of the Board may be required to sign in, listing their name and address.
- 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 is requested to so indicate so at the time of sign in.
- Anyone desiring to speak shall first be recognized by the Chair.
- Only one person may speak at a time.
- Each person speaking shall first state his or her name and address.
- Any person who is represented at the meeting by another person as indicated by a written instrument shall be permitted to have such person speak for them.
- Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
- 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.
- When necessary, speaking time limits may be imposed by the Chair, but shall be uniform for all persons addressing the meeting.
- No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes.
- Minutes of actions taken shall be kept by the Association.
- 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.

Owner Input at Executive Board Meetings. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:

- 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 may then determine, if necessary, 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.
- 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.

5. CONFLICTS OF INTEREST POLICIES AND PROCEDURES

General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration, the Association's governing documents and applicable laws.

Definitions

- Conflict of Interest Transaction. A conflict of interest transaction is a contract, transaction or other financial relationship between: (A) the Association and a director, or (B) between the Association and a party related to a director, or (C) between the Association and an entity in which a director of the Association is a director or officer.
- Party related to a director. A spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.
- Officer for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

Disclosure of Conflict or Fairness Requirement. The director shall disclose the conflicting interest in the proposed transaction in an open meeting prior to the discussion and vote. Such disclosure shall be reflected in the minutes of the meeting or other written form. The director may take part in the discussion but shall leave the room during the vote on the matter. The contract, Board decision or other Board action must be approved by a majority of the disinterested Board members who are voting. No contract, Board decision or other Board action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable to and/or in the best interests of the Association.

Notwithstanding anything to the contrary herein or in the Association's conflict of interest policy, no conflicting interest transaction shall be set aside solely because an interested director is present at, participates in or votes at a Board or committee meeting that authorizes, approves or ratifies the conflicting interest transaction if:

- the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board of Directors or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors may be less than a quorum;
- the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote; or
- the conflicting interest transaction is fair to the Association.

Loans Prohibited. No loans shall be made by the Association to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment of the loan.

Code of Ethics. In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

- No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
- No contributions will be made to any political parties or political candidates by the Association.
- No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
- No Director shall accept a gift or favor made with intent of influencing decision or action on any official matter.
- No Director shall receive any compensation from the Association for acting as a volunteer.
- No Director shall willingly misrepresent facts to the members of the Community for the sole purpose of advancing a personal cause or influencing the Community to place pressure on the Board to advance a personal cause.
- No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.
- No Director shall harass or threaten any member, Director or agent of the Association.
- No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
- Any Director convicted of a felony shall voluntarily resign from his/her position.

- No Director shall knowingly misrepresent any facts to anyone involved in anything with the Community which would benefit himself/herself in any way.
- Language and decorum at Board meetings will be kept professional.
- Personal attacks against owners, residents, service providers and Directors are prohibited and are not consistent with the best interest of the Community.

Additional Disclosures for Special or Metro Districts. If Board Members are also members of the board of a special or metro district, additional disclosures may be required.

6. **ASSOCIATION COVENANT AND RULE ENFORCEMENT POLICIES AND PROCEDURES**

Reporting Violations to the Association. Complaints regarding alleged violations may be reported by an Owner or resident within the Community, a group of Owners or residents, the Association's Managing Agent, Board member(s) or committee member(s) by submission of a written complaint.

Complaints of Violations Submitted to the Association. Complaints by Owners or residents shall be in writing and submitted to the Board of Directors or Managing Agent. 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.

Complaints by a member of the Board of Directors, committee member, or the Managing Agent, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or Managing Agent.

Investigation of Complaints Made to the Association. 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.

Initial Warning Letter from the Association. If a violation is found to exist, a warning letter may be sent to the Violator explaining the nature of the violation. The Violator will have the number of days identified in the letter to come into compliance. If, in its sole discretion, the Board of Directors determines a particular violation presents an important safety concern for both the Association and its members, the Association may bypass the initial warning letter requirement and proceed directly to the "second violation" step in the immediately subsequent paragraph.

Continued Violation After Initial Warning Letter from the Association. If the alleged Violator does not come into compliance within the number of days identified in the first warning letter, this will be considered a second violation for which a fine may be imposed following notice and

opportunity for a hearing. A second letter may then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this policy. The letter may further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within the number of days identified in the letter, or in 10 days of the date on the second violation letter.

Continued Violation After Second Letter from the Association. If the alleged Violator does not come into compliance within the number of days identified in the second letter, this will be considered a third violation for which a fine may be imposed following notice and opportunity for a hearing. A third letter may then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining that if a violation is found to exist, a fine may be imposed pursuant to this policy. The letter may further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within the number of days identified in the letter, or, 10 days of the date on the third violation letter.

Notice of Hearing Before the Association. If a hearing is requested by the alleged Violator, 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 prior to the hearing date.

Hearings Before the Association. At the beginning of each hearing, the presiding officer, may introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator is required to be in attendance at the hearing. The Board may 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. Unless otherwise determined by the Board, all hearings may be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board shall, within 40 days, or such longer period as the Board may set, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, may be by a majority of the Board members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not be grounds for appeal of the hearing committee's decision, absent a showing of denial of due process.

Failure to Timely Request Hearing Before the Association. If the alleged Violator fails to request a hearing within the number of days identified in the letter, or, 10 days of a letter (if the time to request a hearing is not set forth in a letter to the Violator), or if a Violator fails to appear at the hearing, the Board may fine and make other decisions 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 alleged Violator may be assessed a fine pursuant to these policies and procedures.

Notification of Decision of the Association. The decision of the Board, committee or other person, may be in writing, may be provided to the Violator, and may also be provided to the Complainant, within 10 days, or a reasonable time after the decision.

Fine Schedule of the Association. The following fine schedule has been adopted for all recurring covenant violations:

- First violation – Courtesy letter
- Second violation (Of same covenant or rule) – Owner will be given notice and opportunity for violation hearing; potential \$100.00 fine
- Third violation (Of same covenant or rule) -- \$100.00
- Fourth violation (Of same covenant or rule) -- \$150.00
- Fifth and subsequent covenant violation \$200.00 and may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing 5 or more violations in a 6 month period (whether such violations are of the same covenant or different covenants) may be immediately turned over to the Association's attorney for appropriate legal action.

Other Enforcement Means of the Association. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Articles of Incorporation, other governing documents and Colorado law. The use of this process does not preclude the Association from using any other enforcement means, including:

- *Legal Action.* The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the governing documents without first following the preceding notice and hearing procedures, if the Board determines to pursue legal action, with or without a finding or determination by the Board that such action is in the Association's best interests.
 - *Alternative Dispute Resolution Procedures.* Discretionary alternative methods of dispute resolution to avoid litigation encouraged by the Board of Directors include negotiation and mediation. The Association encourages Owners or residents with disputes with the Association and each other to resolve such disputes without court proceedings. The Association will take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them. At its discretion, the Board may use such procedures to resolve disputes with Owners prior to filing litigation.
1. *Negotiation.* A request for dispute resolution by negotiation may be initiated by an Owner or the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less

than 60 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to maintenance issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

2. *Mediation.* If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 15 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.
3. *Arbitration.* Parties may choose to enter into binding arbitration to resolve a dispute. If the Association is a party to the arbitration, the parties shall select an arbitrator *mutually* agreeable. If one cannot be chosen, each party shall choose one arbitrator each and those two arbitrators shall select a third. Arbitration shall be conducted in accordance with the rules of the arbitration groups agreed upon by the parties. The prevailing party shall be entitled to an award of its attorney's fees and costs. If the Association is not a party to the arbitration, the parties themselves shall agree on the rules of arbitration.

7. POLICIES AND PROCEDURES ON DISPUTES BETWEEN OWNERS AND THE ASSOCIATION

Required Dispute Resolution Procedure for Owner Disputes with the Association. Prior to filing a lawsuit against the Association, the Board, any officer, or director of the Association, an Owner must:

1. Send a written demand on the matter desired to be included in their lawsuit, or,
2. The Owner may request and attend a hearing with the Board of Directors. Any such request for a hearing shall be in writing and shall be personally delivered to any member of the Board of Directors or the Association's Manager.

The Owner, in such written demand or request for and attendance of a hearing, shall make a good faith effort to explain the grievance to the Board.

The Owners must allow the Association the opportunity to resolve the dispute in an amicable fashion in not less than 30 days.

If the dispute is not resolved in 30 days, and the Owner has requested a hearing, the Board may give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than 3 or more than 30 days from the date of receipt of the request. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth in the Covenant and Rule Enforcement policy, but shall not be required to do so.

8. INVESTMENT OF RESERVES POLICY

Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, protect market value of Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.

Purpose of the Reserve Fund. The purpose of the Reserve Fund is to aid in responsibly funding and financing projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.

Investment of Reserves. The Board of Directors of the Association may invest funds held in the Reserve Fund account to generate revenue that will accrue to the Reserve Fund account balance pursuant to the following goals, criteria and policies, listed in order of importance:

- *Safety of Principal.* Promote and ensure the preservation of the Reserve Fund's principal.
- *Liquidity and Accessibility.* Structure maturities to ensure availability of assets for projected or unexpected expenditures.
- *Minimal Costs.* Minimize investment costs (redemption fees, commissions, and other transactional costs).
- *Diversify.* Mitigate the effects of interest rate volatility upon reserve assets.
- *Return.* Invest funds to seek the highest level of return.

Limitation on Investments. Unless otherwise approved by the Board, all investments may be FDIC (Federal Deposit Insurance Corporation) insured, and/or guaranteed by the United States Government.

Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a ladder investment approach.

Independent Professional Investment Assistance. The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

Review and Control. The Board may review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and may make prudent adjustments as needed.

Investment Decisions. Consistent with state law, investment decisions of the Board are to be made based on the standard of care outlined in the Colorado Revised Nonprofit Code. This standard of care require directors to act: in good faith; with the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and in a manner the director or officer reasonably believes to be in the best interest of the association. In discharging their duties, directors and officers may rely on other people on matters that the directors or officers reasonably believe are within that person's professional or expert competence.

Reserve Study. In order to determine funding of the Reserve Fund, the Board of Directors may determine, with the assistance and advice of professionals, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (“Reserve Study”).

Review of Reserve Study. The Board of Directors may cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, preferably once every three years to adjust and make changes in costs, inflation, and interest yield on invested funds, plus modification, addition or deletion of components.

9. RESERVE STUDY AND FUNDING POLICIES

Reserve Study Policy.

- The Association is not required under the Community’s governing documents to have a reserve study.
- The Association has determined to establish policies on reserve studies as follows:
 - The Board of Managers may cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, preferably once every three years to adjust and make changes in costs, inflation, and interest yield on invested funds, plus modification, addition or deletion of components.
 - Reserve studies are preferred to be performed by a professional reserve specialist, the Association’s managing agent or otherwise qualified individual.
 - Reserve studies are preferred to be based on a physical examination of the Community by the person preparing the reserve study, but may be performed by the person preparing the study without a physical examination.

Reserve Funding Policy.

- The Association has determined to establish policies on reserve funding as follows:
 - Funding for replacement is preferred to be based on a financial analysis performed by a professional reserve specialist or the Association’s managing agent, or may be performed without a financial analysis.

- Funding for replacement is planned and projected to be assessment of the Owners, as determined from year-to-year, by the Board, or from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) annual assessments of owners, (3) special assessments of owners, (4) a loan as may be obtained by the Association, and/or (5) any combination of the above.

10. ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, RULES, REGULATIONS OR GUIDELINES

Scope. The Board of Directors of the Association may, from time to time, adopt or amend certain policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law.

Drafting Procedure. The Board may consider the following in drafting the policy:

- (i) Whether the governing documents or Colorado law grants the Board the authority to adopt such a policy;
- (ii) The need for such policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
- (iii) The immediate and long-term impact and implications of the policy.

Adoption Procedure. The Board may adopt any policy at anytime. Upon adoption of a policy, the policy or notice of such policy, including the effective date shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the Association's website (if any) or mailing.

Policy Book. The Board of Directors may keep copies of any and all adopted policies in a book designated as a policy book. The Board of Directors may further categorize policies, Procedures, Rules and Regulations, Resolutions and Guidelines but shall not be required to do so.

AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS

I have requested to inspect and/or obtain copies of the following records for

_____. (Be as specific as possible): _____

The records shall be used for the following purpose(s) only: _____

I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

- (A) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (B) Used for any commercial purpose;
- (C) Sold to, otherwise distributed to, or purchased by any person;
- (D) Any other purpose prohibited by law; or
- (E) Any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

Understood and agreed to by:

Homeowner

Date: _____

Homeowner

Date: _____

Address

**CITY VIEW LOFTS
RESOLUTION ADOPTING
GOVERNANCE POLICIES AND PROCEDURES
(UNDER SB 100, SB 89 and HB 1359)**

**SUBJECT
AND**

PURPOSES: Compliance with Colorado law, to adopt new policies and procedures (as required under Senate Bill 05-100, Senate Bill 06-89 and House Bill 09-1359).

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

**EFFECTIVE
DATE:**

March 4th, 2014

RESOLUTION: The Association adopts policies and procedures (as required under Senate Bills 05-100, SB 06-89 and HB 09-1359) as set forth in the attachment.

The undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 4th day of March, 2014.

City View Lofts
a Colorado nonprofit corporation.

By:

[Signature]
President

ATTEST:

By: [Signature]
Title: Treasurer

**CITY VIEW LOFTS HOMEOWNERS ASSOCIATION
POLICY REGARDING CONDUCT OF MEETINGS**

Adopted January 9th, 2022/3

The following procedures have been adopted by City View Lofts Homeowners Association ("Association") pursuant to the provisions of C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors ("Board").

Purpose: To establish a uniform and systematic protocol for conducting Association meetings, including Members' meetings and Board meetings; to ensure equitable participation by Members while permitting the Board to conduct the business of the Association; and to memorialize the circumstances under which the Board may convene into executive session.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the conduct of Member meetings and Board meetings:

1. Members' Meetings. All Association meetings are open to every Member, or to any person designated by a Member in writing as the Member's representative, and Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that at regular and special meetings of the Board, Members who are not Board members may only participate in deliberation and discussion as provided below.
2. Board Meetings. All regular and special meetings of the Board, or any committee of the Board, are open to attendance by all Members, or to any person designated by a Member in writing as the Member's representative. Except as provided below, Members who are not members of the Board may not participate in any deliberation or discussion unless and until expressly so authorized by a vote of the majority of a quorum of the Board.
3. Members' Right to Speak at Board Meetings. At Board meetings, before the Board takes formal action on an item under discussion, the Board shall permit Members, or their designated representatives, to speak. This is in addition to any other opportunities to speak that may be present on the agenda. The Board may place reasonable time restrictions on those persons speaking during any meeting. The Board shall permit a reasonable number of persons to speak on each side of an issue.
4. Agenda; Open Forum. All Association meetings, including committee meetings, meetings of the Board, and meetings of the Members, may be conducted by wholly electronic means as long as all parties participating may hear each other during the meeting, and in such case all parties participating are deemed present at the meeting. The President of the Board of Directors, and in his or her absence, the Vice President, shall chair all meetings. The agenda for all meetings shall follow the order of business specified by the Association's Bylaws, and if none, in accordance with the order of business determined by the Board. The agenda for Members' meetings may include a Member Open Forum during which any Member or Member's designated representative who wishes to speak will have the opportunity to do so, subject to the remaining provisions of this policy. The agenda for Board meetings may include a Member Open Forum, subject however, to the Board's right to dispense with or limit the Member Open Forum at the Board's discretion.
5. Limits on Right to Speak During Open Forum. The Board shall have the right to determine the length of time of any Open Forum. The chair of the meeting may place reasonable limitations upon the time given to each Member seeking to comment, to allow sufficient time for as many Members as possible to comment within the time permitted. Unless otherwise determined by the chair, the time limit will be three minutes per Member. The chair shall, to the best of his/her ability, allocate time to each

Member for comment so as to allow as many Members as possible to speak within the time permitted. Each Member will only be allowed to speak more than once during Open Forum at the discretion of the Board. No Member may speak a second time until all Members wishing to speak have had an opportunity to speak once.

6. Sign-Up Sheets. A sign-up sheet will be made available to Members immediately prior to the meeting. Any Member wishing to comment at the ensuing meeting may add his/her name to the sign-up sheet. Subject to the remaining provisions of this policy, Members will be recognized for comment at the meeting in the same order as their names appear on the sign-up sheet. All Members wishing to comment who have not placed their names on the sign-up sheet will nonetheless be permitted to speak, time permitting.

7. Attorney-Client Privileged Communications. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

8. Recording of Meetings. Note taking is permitted. However, video or audio recording of all or any portion of any meeting by any Member, or their designated representative, is prohibited.

9. Member Conduct. No Member is entitled to speak until recognized by the chair. There shall be no interruption of anyone who has been recognized by the chair except by the chair. Specific time limits set for speakers shall be strictly observed. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. All comments are to be directed to the chair and not other individual participants. All comments are to be restricted to the agenda item being discussed. Courteous behavior is mandatory.

10. Curtailment of Member Conduct. Should the chair determine that any Member has spoken for the allocated amount of time or longer, or determine that the Member is in violation of the provisions of this policy, the chair shall have the authority to instruct that Member to yield the floor, and that Member will be obligated to comply with the chair's instruction.

11. Disruptive or Unruly Behavior. If a Member refuses to stop talking after his/her allotted time has ended, or otherwise disrupts the meeting, or is otherwise in violation of the provisions of this policy, the following procedure will be followed:

- a. The chair will issue an oral warning that if the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, either the meeting will be adjourned and/or law enforcement/security will be called to remove the Member.
- b. If the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, the chair will call a recess and speak directly to the Member, reiterating that either the meeting will be adjourned and/or law enforcement/security will be called to remove the Member.
- c. If the Member still refuses to cooperate, the chair may choose whether to adjourn the meeting to another time and/or to call law enforcement/security.

12. Executive Session. Notwithstanding any other provision in this policy, the Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the Board; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of the Colorado Common Interest Ownership Act, as amended from time to time, or other applicable law. The matters to be discussed at such an executive session are limited to:

- a. Matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
- b. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- c. Investigative proceedings concerning possible or actual criminal misconduct;
- d. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- e. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including a disciplinary hearing regarding a unit owner and any referral of delinquency; and/or,
- f. Review of or discussion relating to any written or oral communication from legal counsel.

Prior to the time the Board members convene in executive session, the chair shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above. No rule or regulation of the Board shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following an executive session.

13. Miscellaneous.

- a. Waiver. The Association's failure to enforce any provision of this policy shall in no event be deemed to be a waiver of the right to do so thereunder.
- b. Supersedes Prior Policy. This policy supersedes any other policy previously adopted by the Board addressing conduct at Board and Member Meetings.
- c. Severability. If any provision of this policy is or becomes illegal, invalid, or unenforceable, that shall not affect the validity or enforceability of any other provision of this policy.
- d. 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 community.

City View Lofts Homeowners Association

By:  President

This Policy Regarding Conduct of Meetings was adopted by the Board of Directors on the 9th day of January 9, 2022, effective the 10th day of August, 2022, and is attested to by the Secretary of City View Lofts Homeowners Association.

 Secretary

**CITY VIEW LOFTS HOMEOWNERS ASSOCIATION
COVENANT ENFORCEMENT POLICY**

Adopted January 9, 202~~2~~³

The following procedures have been adopted by City View Lofts Homeowners Association ("Association") pursuant to the provisions of C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To adopt a policy setting forth procedures for the enforcement of the Association's restrictive covenants and rules.

NOW, THEREFORE, IT IS RESOLVED that the Association adopts this Covenant Enforcement Policy ("Policy") for the enforcement of the Association's restrictive covenants and rules:

I. General Provisions

1. **Power.** The Board of Directors ("Board") has the authority to hear and make decisions regarding alleged violations and written complaints filed with the Board and impose fines or other sanctions pursuant to this policy. The Board may determine enforcement action on a case-by-case basis in the exercise of its reasonable business judgment and consistent with the law, and take other actions as it may deem necessary and appropriate to assure compliance with the Declaration of Covenants, Conditions and Restrictions for City View Loft Condominiums, as amended ("Declaration"), the Association's Articles of Incorporation, Bylaws, and rules and regulations (collectively the "Documents") promulgated thereunder and to further the Documents' purposes.
2. **Other Enforcement Remedies.** These enforcement procedures may be in addition to other specific remedies outlined in the Documents. The Association is not required to follow these enforcement procedures before seeking remedies that do not include the levying of fines or bringing legal action against an Owner. The Association may seek assistance with towing and from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate.
3. **Responsibility for Actions of Tenant or Guest.** Owners are responsible for the actions of their tenants and guests. If an Owner's tenant or guest violates the Documents and a fine is imposed, the fine shall be assessed against that Owner.
4. **Reporting Violations.** An Owner may report a violation of the Documents by filing a written complaint with the Association's Board or community association manager. In addition to acting upon a complaint by an Owner, the Board or community association manager, upon their own discovery of an alleged violation of the Documents, may initiate these enforcement procedures upon a reasonable determination that a violation has been committed. All complaints shall be maintained with the Association's records relating to the Unit associated with the complaint, but are not records that the Association must produce under C.R.S. § 38-33.3-317. The written complaint by an Owner reporting a violation shall state the specific provision(s) of the Documents alleged to have been violated and as many specifics as are available as to time, date, location, and persons involved. While the Association will not accept anonymous complaints, the Association is not obligated to disclose the identity of the complaining party unless otherwise required by law.

5. **Impartial Decision-Maker.** The Association shall rely upon an impartial decision maker for all decisions concerning potential violations. An impartial decision maker is a person or group of persons who do(es) not have any direct personal or financial interest in the outcome. A decision maker will not be deemed to have a personal or financial interest in the outcome, if the outcome will not cause the decision maker any greater benefit or detriment than the community's general membership.
6. **General Notice Requirements.** If the Association determines that a Unit Owner or someone acting through them has violated the Documents, the Association shall send the Unit Owner a Health & Safety Notice, as described in section 10, below, *or* a Notice of Violation, as described in section 15, below. All notices must be in English and in any language the Unit Owner ("Respondent") has indicated a preference for pursuant to C.R.S. § 38-33.3-209.5(1.7)(a)(1). In addition, all notices must include (a) the details of the complaint, or include a copy of the complaint; (b) the action or actions that may be taken by the Association in response to the alleged violation, including the interval upon which fines may be imposed if the violation is continuing in nature and the time after which the Association may commence legal action to obtain compliance; (c) the action or actions required to cure the alleged violation; (d) the Respondent's right to be heard, either orally or in writing; and (d) the process to request and schedule an in-person hearing.
7. **Additional Notices.** The Association may send additional notices to the Respondent, either before or after the notices specifically set forth in this policy.
8. **Confirmation of Cure.** Once the Respondent cures a violation, the Association shall notify the Respondent that the Respondent will not be further fined with respect to that specific violation and of any outstanding fine balance that the Respondent owes to the Association.

II. Health and Safety Violations

9. **Definition.** Health and safety violations are those violations that have the potential to affect a person's mental or physical condition and circumstances likely to cause danger, risk, or injury to people, pets, or property. These violations may include, but are not limited to: noise violations; fire hazards; hoarding; infestations of insects, mice, rats, or other vermin; short-term rental violations; parking violations; structural, electrical, or plumbing alterations; harassment; and violations of local, state, or federal law intended to protect public health and safety.
10. **Notice of Health & Safety Violation.** If the Association reasonably determines that a health and safety violation has occurred, it shall send a notice ("Health & Safety Notice") to the Respondent that meets the requirements set forth in section 6, above, and demands the Respondent cure the violation within 72 hours of receiving the Health & Safety Notice or face fines, legal action, or both. The Health & Safety Notice shall also state that if the Respondent fails to cure the violation within the initial 72-hour compliance window, the Association may then assess fines for the ongoing violation every other day. If possible, the Association shall send the Health & Safety Notice to the Respondent by email, to the email address provided by Respondent to the Association. If Respondent has not provided the Association with an email address, the Association shall send the Health & Safety Notice by regular U.S. Mail, and may also send it by certified mail, return receipt requested, or by posting it at the Unit. The Health & Safety Notice shall include the fine schedule set forth in section 12, below. In addition, the Health & Safety Notice shall inform the Respondent that they may appeal any fine by submitting a written request for a hearing within 14 days of the date the Association issues the Health & Safety Notice.
11. **Inspection.** The Association shall inspect to see whether the Respondent has cured the health and safety violation as soon as practicable after the 72-hour cure period has passed. If the Respondent has

failed to cure the violation, the Association may impose fines on the Respondent in accordance with section 12, below.

12. Fines for Health & Safety Violations. If the Respondent fails to cure a health and safety violation within 72 hours of receiving the Health & Safety Notice, the Association may fine the Respondent as frequently as every other day for ongoing or repeated violations according to the following fine schedule:

<u>Fines for Discrete Violations</u>	<u>Fine Amount</u>
First Violation	\$500.00
Second Violation	\$750.00
Third & Subsequent Violations	\$1,000.00

13. Request for Hearing. Respondents may request a hearing regarding any fine for a health and safety violation by submitting a written request to the Association within 14 days of the date the Association issues the Health & Safety Notice or assesses a fine for the violation assigned in the Health and Safety Notice. The hearing shall comply with the procedures set forth in section 21, below.

14. Commencement of Legal Action. If the Association determines that Respondent has failed to cure a health and safety violation within the 72-hour cure period, the Association may commence legal action in accordance with section 23, below.

III. Regular Violations

15. Notice of Violation. If the Association reasonably determines that a violation of the Documents has occurred, and it is not a health and safety violation as defined above in section 9, the Association shall send a notice to the Respondent (“Notice of Violation”) that meets the requirements set forth in section 6, above, as well as this section. The Association shall send the Notice of Violation by certified mail, return receipt requested, as well as by prepaid, first-class United States mail, addressed to the Respondent’s mailing address appearing on the Association’s records. The Association may also send the Notice of Violation to any electronic mail address on file with the Association and provided by the Respondent. The Notice of Violation shall advise the Respondent that they have 30 days to cure the violation (“First Cure Period”) which commence on the date the Association issues the Notice of Violation and shall further provide for a second consecutive 30-day cure period (“Second Cure Period”) in the event the violation is not cured within the First Cure Period.

The Notice of Violation shall include the fine schedule set forth in section 18, below, and inform the Respondent that if they fail to cure the violation within the First Cure Period or Second Cure Period, the Association will assess one or more fine(s) in accordance with the schedule.

Further, the Notice of Violation shall inform the Respondent that if they cure the violation within the First Cure Period or Second Cure Period, they may provide the Association with written notice of the cure (“Notice of Cure”) and that if the Notice of Cure includes visual evidence that the violation has been cured, the violation is deemed cured as of the date the Respondent sends the notice.

Finally, the Notice of Violation shall inform the Respondent that they may submit a written request for an in-person hearing within 14 days of the date the Association sends the Notice of Violation or assesses a fine for the violation described in the Notice of Violation.

16. Notice of Cure. If the Respondent cures the violation within any Cure Period, the Respondent may send the Association a written Notice of Cure. If the Respondent includes visual evidence that they

have cured the violation, the violation is deemed cured on the date the Respondent sends the notice. If the Respondent does not provide visual evidence with their Notice of Cure, the Association shall inspect for compliance as soon as practicable after receiving the Notice of Cure.

17. Inspection. The Association shall inspect Respondent's property within seven days after expiration of each Cure Period and shall notify the Respondent if the violation remains uncured and whether any fine has been assessed. If a violation has not been cured within the First Cure Period or Second Cure Period, regardless of any notice provided or hearing requested by the Respondent, the Association may assess a fine as provided in this Policy.

18. Fines for Regular Violation. Fines may be levied by the Board or the impartial decision maker for regular violations of the Documents as follows:

<u>Fines for Discrete Violations</u>	<u>Fine Amount</u>
First violation (first Notice of Violation)	\$50.00
Second violation (second Notice of Violation)	\$200.00
Third violation (third Notice of Violation)	\$250.00

19. Request for Hearing. Respondents may request a hearing to appeal any fine for a regular violation by submitting a written request to the Association within 14 days of the date the Association issues the Notice of Violation or assesses a fine for the violation described in the Notice of Violation. The hearing shall comply with the procedures set forth in section 21, below.

20. Commencement of Legal Action. If the Association determines that Respondent has failed to cure a regular violation within the Second Cure Period, the Association may commence legal action in accordance with section 23, below.

IV. Hearing Procedure

21. Hearing to Appeal Fines. If a Respondent timely requests a hearing regarding a fine, the Association shall schedule a hearing and provide the Respondent with written notice of date and time at least 7 days in advance. The Board may grant continuances for good cause. Each hearing shall be held by the Board or another impartial decision maker appointed by the Board. The Board or the impartial decision maker may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit it to reach a just decision. The Respondent is required to attend the hearing and may present relevant evidence. If the Respondent fails to attend the hearing, Respondent will be deemed to have waived their right to appeal the fine(s) in question and the Association shall not be required to provide Respondent with any further notice regarding such fines. Any interested party may present relevant evidence at the hearing. Any decision by the Board or the impartial decision maker shall be fair and reasonable taking into consideration all the relevant facts and circumstances.

22. Decision on Fine Hearing. The Board or other impartial decision maker shall render its decision on whether to rescind the fine(s) in question based on the information contained in the complaint, evidence presented at the hearing (if any), and the Respondent's written response (if any), and considering all the relevant facts and circumstances. If the Board does not inform the Respondent of its decision at the time of the hearing, Board will provide a written notice of the decision to the Respondent's address of record via regular U.S. mail within five (5) business days after the decision is made.

V. Commencement of Legal Action

23. Commencement of Legal Action. The Association is not required to impose fines before seeking to enforce the Documents by taking legal action, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief, damages, or both. However, the Association shall not commence legal action for a health and safety violation until it has confirmed, through inspection, that the Respondent has failed to cure the violation within 72 hours of receiving the Health & Safety Notice. Similarly, the Association shall not commence legal action against the Respondent for a regular violation until the Association has confirmed, through inspection, that Respondent has failed to cure the violation before the end of the Second Cure Period.

24. Liability for Attorney's Fees, Costs, and Damages. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding or correspondence under this Policy. If a violation involves damage to Association property, the Association may charge the Respondent for the costs of repair or replacement.

25. Lien. Fines imposed pursuant to this Policy shall become an Assessment imposed against the record Owner's real estate and enforceable as provided in the Declaration; fines are part of the Association's lien but are not subject to a foreclosure action.

VI. Alternative Remedies

26. Suspension of Privileges. In addition to levying fines, and without limiting the Association's remedies under the Documents, the Board may suspend membership privileges, which may include, but shall not be limited to, suspension of access to Association amenities and suspension of voting privileges, and impose other sanctions in accordance with the Documents and applicable Colorado law. The Association is not required to follow the procedures set forth in this Policy to suspend membership privileges and instead may follow other procedures specified in the Documents for such suspension. If the Documents do not specify procedures for suspension of privileges or state conditions for when procedures are automatically suspended, the Association shall provide reasonable notice and opportunity for a hearing prior to the suspension of privileges. The Board may revoke or suspend the violator's privileges for a period of time equal to the duration of the violation and for up to 60 days thereafter, unless such violation is a continuing violation, in which case such suspension may continue for as long as such violation continues and for up to 60 days thereafter. However, nothing in this section shall require notice and an opportunity for the suspension of voting privileges if the Documents do not require a hearing.

27. Owner-to-Owner Enforcement. Individual Owners have the right to enforce the Documents against other Owners and are not bound by the procedural and notice requirements imposed on the Association by C.R.S. § 38-33.3-209.5. Consequently, certain types of violations may be best handled through Owner-to-Owner legal action.

28. Governmental Enforcement. If a violation of the Documents also constitutes a violation of local, state, or federal law, the Association may request that the applicable governmental entity enforce that law.

VII. Miscellaneous

29. Waiver. The Association's failure to enforce any provision of this policy is never a waiver of the right to do so thereafter.

30. Communications. Any Owner may provide the Association with written notice of any additional designated contact for correspondence and notices, as well as any language other than English that the Owner prefers for correspondence and notices by Certified Mail, Return Receipt Requested, and electronic mail to the address used by the Association for receipt of complaints. The Owner is responsible for all costs incurred by the Association in providing notices and translations as provided herein.

31. Severability. If a provision of this policy is or becomes illegal, invalid, or unenforceable, that shall not affect the validity or enforceability of any other provision of this policy.

32. Supersedes Prior Policy. This policy supersedes any other policy previously adopted by the Board addressing the enforcement of the Association's restrictive covenants and rules.

City View Lofts Homeowners Association

By:  President

This **COVENANT ENFORCEMENT POLICY** was adopted by the Board of Directors on the 9th day of January, 2022~~3~~ effective the 10th day of August, 2022, and is attested to by the Secretary of City View Lofts Homeowners Association.

 Secretary

CITY VIEW LOFTS HOMEOWNERS ASSOCIATION COLLECTION POLICY

Adopted September, 2025

The following procedures have been adopted by City View Lofts Homeowners Association (the "Association") pursuant to C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To establish a uniform and systematic procedure for collecting Assessments and other charges of the Association, thus ensuring the financial well-being of the Association; to provide Owners with notice and processes regarding their obligations to pay Assessments.

Collection Philosophy: All Owners are obligated by the First Amended and Restated Condominium Declaration for City View H.O.A., LLC, as may be further amended from time to time (the "Declaration") to pay all dues and Assessments in a timely manner. Failure to do so jeopardizes the Association's ability to pay its bills. Failure of Owners to pay Assessments in a timely manner is also unfair to other Owners who do. Accordingly, the Association, acting through the Board of Directors, must take steps to ensure timely payment of Assessments.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of Assessments and other charges of the Association:

1. **Due Dates.** The annual common expense Assessments, as determined by the Association's Board of Directors, and as allowed for in the Declaration and Colorado law, shall be due and payable monthly in equal installments due on the first (1st) day of each month. Special Assessments, individual purpose Assessments and reimbursement Assessments, if any, may be assessed or made from time to time by the Association in accordance with the Declaration and are due and payable as determined by the Board. All Assessments or other charges not paid to the Association when due shall be considered past due and delinquent.
2. **Late Fees and Interest.** The Association shall be entitled to impose a monthly late fee of twenty-five dollars (\$25.00) on any Assessment or other charge not paid within fifteen (15) days of the due date. Additionally, any Assessment or other charge not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per year. All such fees and interest shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.
3. **Return Check Charges.** A twenty-dollar (\$20.00) fee 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. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner of the property for which payment was tendered to the Association. If two or more of an Owner's checks are returned unpaid by the bank within any twelve (12) month period, 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.
4. **Attorneys' Fees and Collection Costs on Delinquent Accounts.** Subject to any limitations imposed by Colorado law, the Association shall be entitled to recover from an Owner its reasonable attorneys' fees and collection costs, including any costs of collection charged by the Association's management company, incurred in the collection of Assessments or other charges due, whether or not a lawsuit has been initiated against the Owner. The Association shall be entitled to recover its post-judgment and appellate attorneys' fees and costs incurred from an Owner.

5. No Offsets. No Owner may be exempt from liability for payment of any Assessment or other charge for any reason, including but not limited to, the abandonment of the property against which the Assessment or charge is made. All Assessments shall be payable in the amounts specified and no offsets or reduction shall be permitted for any reason including, without limitation, any claim that the Association or Board of Directors is not properly exercising its duties and powers under the Declaration.

6. Application of Payments Made to the Association. If an Owner owes both unpaid Assessments and unpaid fines, fees, or other charges and makes a payment to the Association, the Association shall apply the payment first to the Assessments owed and any remaining amount to the fines, fees, or other charges owed. The Association has the discretion to return any payment containing a restrictive endorsement or directing application of payments contrary to this provision.

7. Offer of Repayment Plan. In its Notice of Delinquency, described in section 8, below, and subject to the following requirements and conditions, the Association shall offer a repayment plan to any Owner and make a good faith effort to coordinate a repayment plan with the Owner:

- a. The repayment plan must allow the Owner the right to pay off the delinquency in monthly installments over a period of up to eighteen (18) months;
- b. The Owner may choose the amount to be paid each month of the repayment plan, so long as each payment is in an amount of at least twenty-five dollars (\$25.00) until the balance of the amount owed is less than twenty-five dollars (\$25.00);
- c. 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;
- d. No repayment plan need be offered if the Owner does not occupy the Unit and has acquired the Unit as a result of:
 - i. A default of a security interest encumbering the Unit; or,
 - ii. Foreclosure of the Association's lien;
- e. The Association is not required to offer a repayment plan or negotiate such a plan with an Owner who has previously entered into a payment plan with the Association;
- f. The Owner's failure to remit payment of at least three (3) monthly installments of an agreed-upon installment within fifteen (15) days of the due date, or to remain current with regular Assessments as they come due during the period of the repayment plan, constitutes a failure to comply with the terms of the repayment plan; and,
- g. The Association may pursue legal action against the Owner if the Owner fails to comply with the terms of the repayment plan.

8. Notice of Delinquency. After an installment of an Assessment or other charge owed to the Association becomes delinquent, and before the Association turns the delinquent account over to a collection agency or refers it to the Association's attorney for legal action, the Association shall cause a Notice of Delinquency to be sent to the Owner who is delinquent in payment. The Notice of Delinquency shall specify the following:

- a. a description of the steps the Association must take before it may take legal action against the Owner, including a description of the Association's cure process for covenant violations as specified in its policy governing enforcement;
- b. a description of what legal actions the Association may take against the Owner, including a description of the types of matters 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. the total amount due, with an accounting of how the amount was determined;
- d. whether the total amount due concerns unpaid Assessments; unpaid fines, fees, or charges; or both;
- e. whether the delinquency concerns unpaid Assessments that may lead to foreclosure;
- f. whether an opportunity to enter into a repayment plan exists and the instructions for contacting the Association or its manager to enter into such a repayment plan;
- g. the name and contact information for the person the Owner may contact to request a copy of the Owner's ledger in order to verify the amount owed, which copy of the ledger must be provided to the Owner no later than seven business days after receipt of the Owner's request;
- h. that action is required to cure the delinquency and the specific action required to cure the default;
- i. that failure to cure the delinquency within thirty (30) days may result in the delinquent account being turned over to a collection agency or the Association's attorney, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's Unit, the sale of the Owner's Unit at auction to pay delinquent assessments, which could result in the Owner losing some or all of the Owner's equity in the Unit, or other remedies available under Colorado law; and
- j. The availability of, and instructions on how to access, free online information through the HOA Information and Resource Center relating to the collection of assessments by an Association, including the Association's ability to foreclose an Association lien for unpaid assessments and force the sale of the Owner's home, and the availability of online information from the Federal Department of Housing and Urban Development concerning credit counseling before foreclosure that may be accessed through a link on the Department of Local Affairs' website.

The Association may send additional notices to the Owner, either before or after the Notice of Delinquency set forth in this section, for as long as amounts remain past due on the Owner's account. However, the Association is only required to send one (1) Notice of Delinquency as provided for in this section. The Notice of Delinquency shall be sent by certified mail, return receipt requested, and by U.S. regular mail to the property address unless the Owner has given notice, in writing, to the Association of an alternate address. The Association shall also send the Notice of Delinquency by two of the following means: text message to a cellular number the Association has on file because the Owner or designated contact has provided the number to the Association; by email to an email address that the Association has on file

because the Owner or designated contact has provided the address to the Association; and/or by telephone call (including leaving a voicemail message, if available) to a telephone number the Association has on file because the Owner or designated contact has provided the number to the Association. If known and available to the Association, the Association may consider any phone number or email address used by an owner in any transaction or correspondence related to the owner's property within the Association as contact information provided to the Association. If an Owner has not provided a telephone number, cellular number, or email address as additional means by which to receive notices, the Association may send the Notice of Delinquency by regular mail in addition to certified mail, return receipt requested, in lieu of electronic means. The Association may charge the Owner an amount not to exceed the actual cost of the certified mail.

9. Balance Letter. On a monthly basis and by First-Class Mail and/or email, if the Association has the Owner's email address, the Association shall send each Owner who has any outstanding balance owed to the Association an itemized list of all Assessments, fines, fees, and charges that the Owner owes to the Association ("Balance Letter"). ***If the Association has incurred, or will incur, attorneys' fees and costs that have not yet been billed to the Association and added to the Owner's account, the Balance Letter shall indicate that the outstanding balance may not include all charges that have been or will be incurred and does not constitute a payoff.***

10. Notices. At least annually, the Association shall request from each Owner, or the Owner's designated contact, a telephone number for phone calls, a cellular number for texts, and an email address for emails. Except as otherwise provided herein, any notices shall be mailed to the Owner via regular U.S. mail at the property address unless the Owner has given notice, in writing, to the Association of an alternate address. The Association shall send the Notice of Delinquency, Balance Letter, and all other notices to the Owner in English and in any other language the Owner designates in a writing that the Owner mails to the Association by certified United States mail, return receipt requested. In addition, the Association shall mail the Notice of Delinquency, Balance Letter, and all other notices in English to any contact person the Owner designates in a writing that the Owner mails to the Association by certified United States mail, return receipt requested.

11. Liens. If payment in full of any Assessment or other charge is not received by the deadline stated in the Notice of Delinquency, the Association may cause a notice of lien to be filed against the property. The lien shall include Assessments, fees, charges, late charges, attorneys' fees, fines, interest, and other charges pursuant to C.R.S. § 38-33.3-316(1).

12. Referral of Delinquent Accounts. After the deadline stated in the Notice of Delinquency has expired, the Association may, but shall not be required to, refer the delinquent account to its attorney or a collection agency for collection. An account may only be referred to an attorney or a collection agency if a majority of the Board of Directors votes to refer the matter in a recorded vote at a meeting conducted pursuant to C.R.S. § 38-33.3-308(4)(e). Upon referral to the 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. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. After consultation with the Board of Directors or the Association's managing agent, the attorney shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and *ex parte* appointment of a receiver of the Owner's property.

13. Foreclosure of Lien. Notwithstanding any provision of this policy to the contrary, and subject to any additional requirements imposed by Colorado law, the Association may only foreclose the lien if it has complied with all statutory prerequisites and:

- a. The balance of the Assessments and charges secured by the lien equals or exceeds six (6) months' worth of regular Assessments based on the periodic budget adopted by the Association;
- b. The Board of Directors has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Unit on an individual basis; and
- c. The lien does not consist only of fines that the Association has assessed against the Owner, and/or collection costs or attorneys' fees that the Association has incurred and that are only associated with fines.

The Association may commence a legal action and/or an action to initiate a foreclosure proceeding as provided herein against any Owner that fails to accept a repayment plan within thirty (30) days of the Notice of Delinquency. The Association may also commence a legal action and/or an action to initiate a foreclosure proceeding as provided herein against any Owner that accepts a repayment plan and fails to pay at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due without further notice.

The Association shall send a Notice of Intent to Foreclose to the Owner after the Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Unit on an individual basis, and before the legal action is filed with the court or a lis pendens is recorded. The Notice of Intent to Foreclose shall be sent by certified mail, return receipt requested, and by U.S. regular mail to the property address unless the Owner has given notice, in writing, to the Association of an alternate address. The Association shall also send the Notice of Intent to Foreclose by two of the following means: text message to a cellular number the Association has on file because the Owner or designated contact has provided the number to the Association; by email to an email address that the Association has on file because the Owner or designated contact has provided the address to the Association; and/or by telephone call (including leaving a voicemail message, if available) to a telephone number the Association has on file because the Owner or designated contact has provided the number to the Association. If known and available to the Association, the Association may consider any phone number or email address used by an owner in any transaction or correspondence related to the owner's property within the Association as contact information provided to the Association. If an Owner has not provided a telephone number, cellular number, or email address as additional means by which to receive notices, the Association may send the Notice of Intent to Foreclose by regular mail in addition to certified mail, return receipt requested, in lieu of electronic means. The Association may charge the Owner an amount not to exceed the actual cost of the certified mail.

14. Waivers. Nothing in this policy shall require the Association to take specific action(s) other than as set forth herein and to notify Owners of the adoption of this policy. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Association may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Any such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, 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 may determine appropriate under the circumstances, except as may be prohibited by Colorado law.

15. Order of Remedies. Subject to the restrictions contained in the "Foreclosure of Lien" section above, the Association may pursue any actions or remedies including, but not limited to, actions for personal judgment, foreclosure, or receivership (on an *ex parte* basis or otherwise and for purposes of collecting the

lien balance coming due to the Association both pre-judgment and post-judgment in any judicial proceeding), to collect amounts owed in any order.

16. Data Collection. Colorado law requires the Association to collect and annually submit certain collections-related data to the Division of Real Estate. The Association shall submit the following to the Director of the Division of Real Estate:

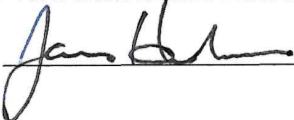
- a. For the twelve-month period immediately preceding the Association's annual registration, the number of Unit Owners that were, at any time during the twelve-month period, six or more calendar months delinquent in the payment of an Annual Assessment or Special Assessment;
- b. For the twelve-month period immediately preceding the Association's annual registration, for unpaid Annual Assessments or Special Assessments or related fees or attorney fees:
 - i. The number of Unit Owners against which the Association or its designee obtained a judgment;
 - ii. The number of payment plans entered into between the Association and a Unit Owner pursuant to section 38-33.3-316.3; and
 - iii. The number of foreclosure actions filed against Unit Owners pursuant to section 38-33.3-316; and
- c. Any other information specified by the Director of the Division of Real Estate relating to the collection of Assessments and the foreclosure of the Association's liens.

17. Definitions. Capitalized terms not defined in this Policy are used as defined in the Declaration, as may have been amended.

18. Severability. If any provision of this policy is or becomes illegal, invalid, or unenforceable, that shall not affect the validity or enforceability of any other provision of this policy.

19. Superseding Previous Policies. This policy shall replace and supersede any previous rules and regulations or policies of the Association addressing the collection of past due Assessments.

City View Lofts Homeowners Association

By:  President

This Collection Policy was adopted by the Board of Directors on the 18 day of September, 2025, effective the 18 day of September, 2025, and is attested to by the Secretary of City View Lofts Homeowners Association.


Secretary