

Innsbruck Townhome Owners Association

Policies and Procedures For the Adoption and Amendment of Policies

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy setting forth procedures for the adoption and amendment of policies, procedures, and rules.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures governing the adoption and amendment of policies, procedures, and rules.

- A. Pursuant to The Association's Declaration of Covenants, Conditions, and Restrictions and the Bylaws of The Association, ("Governing Documents") and Colorado Revised Statutes 38-33.3-302, the authority to create, adopt, enforce, amend and repeal policies, procedures, rules and regulations (hereinafter collectively referred to as a "Rule") lies with The Board of Directors of The Association.
- B. When The Board, in the exercise of its discretion, determines that a Rule should be adopted, amended or repealed, as appropriate, it shall do so either at a meeting of The Board or by written consent in lieu of a meeting, or by any other method authorized by the Governing Documents or pursuant to Colorado law.
- C. The Board will take reasonable steps to avoid adopting a Rule that is contrary to Federal, State, or local law or The Association's Governing Documents, as well as exercising reasonable care to balance The Association's interests with the interest of the individual Owners of the Community.
- D. The Board has the right, but not the obligation, prior to adopting any new Rule, to conduct an informational meeting of the Owners and solicit their input regarding any new or existing Rules
- E. The Board shall then give notice of adoption, amendment, or repeal of the Rule in writing by first class mail, postage prepaid, to each Owner of The Association, and shall publish the Rule by any reasonable means available, including but not limited to posting the Rule in the community or on its website, if an, by e-mail, mail, newsletter, or personal delivery.
- F. The Rule shall become effective 30 days after the Rule is published to the Owners.
- G. The Rule, along with all other Rules of The Association, shall be available for inspection and copying in accordance with The Association's policy regarding inspection and copying of Association records (C.R.S. 38-33.3- 317).
- H. Any Owner's failure to receive the Rule shall not be a defense to any attempt by The Association to enforce the Rule or to levy fines, expenses, or attorney fees as a result of a violation of the Rule.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 17 day of May, 2020.

Innsbruck Townhome Owners Association



President

Innsbruck Townhome Owners Association

Policies and Procedures For the Collection of Unpaid Assessments

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy setting forth procedures for the collection of unpaid assessments.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures governing the collection of unpaid assessments.

It is vital to the effective administration of the Association that assessments and other charges be paid by Members in a timely manner. While a certain amount of bad debt is expected in any business, the Association must collect certain unpaid assessments in order to continue to serve the community well and efficiently. To perform these duties the Board needs to remain flexible in its approach in order to account for the unique facts and circumstances surrounding each delinquent payment.

- A. **Assessment Due Dates.** Assessments levied pursuant to the annual budget are due monthly on the first (1st) of each month. Payments received after the last day of each month will be considered past due and penalties will be assessed as below. Special and other types of assessments not levied pursuant to the annual budget are due as and when determined by the Board under the provisions of the Declaration.
- B. **Past Due Assessments.** Monthly assessments are considered past due if received after the last day of each month; other assessments are "past due" if they are not paid when due.
- C. **Fees and Interest; Suspension of Voting Rights.** A late fee of 10% of the outstanding assessments will be charged per annum to accounts that are delinquent. The fees charged will become due the date the assessment became due. These fees shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Declaration. Once assessments become past due; the Association may suspend the voting rights of the delinquent owner.
- D. **Non-Sufficient Funds.** If an Owner should pay the Association by check and such check is returned because of Owner's insufficient funds, the Owner shall, in addition to the amount owed and any late charges and interest, owe the Association all bank fees at the current rate to process the NSF and cure the default together with all other and further amounts due the Association under the provisions of Colorado law, including, without limitation C.R.S.13-21-109
- E. **Payment Plans.** Except as provided here, the Association will make a good faith effort to coordinate with an Owner who has unpaid assessments to set up a payment plan with the following minimum terms: repayment of all unpaid assessments, late fees, interest, and other charges, costs, and expenses (including attorney fees) that may be included with any assessment as provided in C.R.S 38-33.3-316.3, over a period of no fewer than six (6) months in equal monthly installments. During the term of any repayment plan entered into under this policy, the Owner shall also keep current on all assessments that may come due. The Association has no obligation to coordinate a payment plan with an Owner that does not occupy their unit and acquired their unit either through

default in a security interest encumbering the Unit, or foreclosure of the Association's assessment liens. Additionally, the Association has no obligation to coordinate a payment plan with an Owner with whom it has previously entered into a payment plan under this policy, regardless of the outcome.


- F. **Application of Payments on Delinquent Accounts.** Payments made against balances owed on delinquent accounts shall be applied first to penalty fees, returned check fees, and other costs and expenses that may become a charge upon the land under the terms of the Declaration, and then to unpaid assessment beginning with the amounts left unpaid the longest and continuing in chronological order.
- G. **Available Legal Remedies:** Subject to the provisions of this policy the Association, acting through the Board, may initiate collection proceedings of any kind at any time after any assessment payment becomes past due, as defined above. The Board, in its sole discretion in light of the relevant facts and circumstances may choose to employ any one or more of the following means in seeking collection, with or without notice, at any time after a payment is past due. In addition to the remedies described in this policy, the Board may pursue collection of unpaid assessments by any means authorized under Colorado law, as the same may exist from time to time.
1. **Acceleration.** If any assessment payment is past due, the Association may elect to accelerate and declare immediately due and payable the remaining balance of the regular or special assessment for the current fiscal year.
 2. **Collection Agencies/Lawyers.** Once an assessment has become 30 days past due, the Association may refer the past due assessments to a collection agency or a lawyer for collection. The delinquent Owner will be liable for any fees or other expenses associated with referring the matter for collection. Such expenses will be added to all delinquent amounts and will become a charge upon the land, as provided in the Declaration. At least 30 days prior to referring the matter to a collection agency, or lawyer, however, the Association shall first provide the involved Owner with a notice of delinquency, describing the amount due, indicating whether the owner is eligible for a payment plan under this policy and providing contact information for purposes of setting up such a plan, stating the name of the person from whom the Owner may obtain a copy of the ledger or other accounting statement indicating the amount due, and providing that a failure to act in response to the notice within 30 days may result in referral of the matter to a collections agency or a lawyer for collection, foreclosure of the Association's assessment lien or the pursuit of other remedies provided by law.
 3. **Lien.** Once an assessment has become past due, the Association may give formal legal notice of its lien against the delinquent Owner's property. Any costs or expenses associated with this process, including attorney's fees, shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Declaration.
 4. **Foreclosure.** As a last resort, the Association may foreclose its assessment lien upon the property of a delinquent Owner to satisfy the past due assessments, fees, costs, and other expenses charged against the land. Once the Owner has a balance of unpaid assessments equal to or exceeding 6 months of assessments computed under the Association's periodic budgets, and the Board, by vote on the record, determines to pursue foreclosure on an individual basis, the Association may begin foreclosure proceedings. The costs and expenses of so doing, including attorney's fees, shall be charged against the proceeds of any foreclosure sale, along with the delinquent assessments, cost, fees, and other expenses as provided by the Declaration.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 17 day of MAY, 2020.

Innsbruck Townhome Owners Association



President

Innsbruck Townhome Owners Association

Policies and Procedures For Conducting Owner and Board of Director Meetings

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To establish a uniform and systematic protocol for conducting meetings of the Association, including Owners' meetings and meetings of the Board, to ensure equitable participation by Owners 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 procedures governing the conduct of meetings of the Owners and meetings of the Board.

MEMBERSHIP MEETINGS

- A. Pursuant to C.R.S. 38-33.3-308, membership meetings may be called by the President, a majority of the members of the Board, or by the Owners of the Association ("Owners") having 20% of the votes of the Association
- B. Notice of membership meetings shall be delivered by U.S. Mail postage prepaid to each Owner. The notice shall be delivered at least 10, but no more than 50 days before such meeting, and shall state the date, time and location of the meeting, items on the agenda, and, in the case of a special meeting, the purpose of a meeting.
- C. Notice of membership meetings will also be physically posted in a conspicuous place, such as notice boards in common areas, if at all feasible or practical. In addition, if the Association has the ability to give electronic notice, the Board must provide notice of membership meeting by email if requested by an Owner who gives his/her e-mail address and must provide the notice as soon as possible and at least 24 hours prior to the meeting.
- D. All membership meetings are open to every Owner entitled to vote, or to any person designated by an Owner in writing as the Owner's representative, and Owners or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings.
- E. Quorum, Proxies and Voting
 - 1. As specified in the Bylaws, Article III, Section 4; the presence at the member meeting entitled to cast, or of proxies to cast 20% of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions of Innsbruck Townhome Owners Association ("The Declaration"), or the Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

2. As specified in the Bylaws, Article III, Section 5, at all member meetings each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his lot. All votes, other than those taken by secret ballot, shall be taken in such method as determined by the Board or pursuant to the Bylaws, including acclamation, by hand, voice, or ballot, unless otherwise required by law.
3. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot.
4. Pursuant to C.R.S. 38-33.3-310, votes for contested positions of the Board shall be taken by secret ballot. Also, at the discretion of the Board, or upon the request of 20% of Owners present at the meeting of represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all Owners are entitled to vote shall be by secret ballot. The secret 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 or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. This proxy shall be kept and retained by the Association.
5. Written ballots, including secret ballots, shall be counted by a neutral third party or by an Owner who is not a candidate. If the ballots are to be counted by an Owner, that person must be selected randomly from a pool of two or more Owners who are not candidates. The result of the vote by secret ballot shall be reported without reference to names, addresses, or other identifying information respective to the parties casting secret ballots.

F. Agenda and Open Forum

1. The President of the Board, and in his/her absence, the Vice President, or designee, shall be Chairman ("The Chairman") of all meetings. The agenda for all meetings shall be in accordance with the order of business as determined by the Board. The agenda for the member meetings shall be determined and noticed in the manner set forth in C.R.S. 38-33.3-308 and shall include an Owner Open Forum during which any Owner or Owner's designated representative who wishes to speak will have the opportunity to do so, subject to the remaining provisions of this policy.
2. The holding and conduct of meetings shall also be consistent with the requirements of the Colorado Common Ownership Interest Act (CCIOA) and the Colorado Non-Profit Corporation Act, as may be applicable. Roberts Rules of Order govern the procedures to be followed at such meetings.

- G. Note taking is permitted, however, video or audio recording of all or any portion of any meeting by Owners is prohibited. Notwithstanding the foregoing, the Secretary or official record-keeper at any meeting may, at the discretion of the Board, record proceeding of that meeting for record-keeping purposes. If the Board allows that Secretary or official record-keeper to record the meeting, the Board must disclose such to all attendees prior to discussion of any items on the agenda. The audio or video recording of any meeting kept by the Secretary or official record-keeper shall be retained until such time as the information has been memorialized in the minutes of said meeting and such minutes have been adopted by the Board.

H. Time Limit to Speak; Protocol and Conduct of Participants

1. The Board shall have the right to determine the length of time of the Open Forum. The Chairman of the meeting may place reasonable limitations upon the time given to each Owner seeking to comment, to allow sufficient time for as many Owners as possible to comment within the time permitted. Unless otherwise determined by the Chairman, the time limit will be three (3) minutes per Owner. Owners should refrain from repeating other Owners' comments. Owners may be limited to speaking one time per agenda item. The Chairman shall, to the best of his/her ability, allocate time to each Owner for comment so as to allow as many Owners as possible to speak within the time permitted.

2. No Owner is entitled to speak until recognized by the Chairman. Owners will be asked to identify themselves by their name and address. There shall be no interruptions of anyone who has been recognized by the Chairman, except by the Chairman. All Owners and/or Owners' delegates should avoid side conversations. 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 Chairman and not to other individual participants. All comments are to be restricted to agenda items being discussed. Meeting participants must behave courteously and be respectful of others.
 3. Should the Chairman determine that an Owner has spoken for the allocated amount of time or longer, or determine that the Owner is in violation of the provisions of this policy, the Chairman shall have the authority to instruct that Owner to yield the floor, and that Owner will be obligated to comply with the Chairman's instructions.
 4. If an Owner 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 Chairman will issue a verbal warning that, if the Owner continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, then that person will be asked to leave the meeting
 - b. If the Owner continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, the Chairman will call a recess and speak directly to the Owner, reiterating that either the meeting will be adjourned, or law enforcement/security will be called to remove the individual. The meeting will then resume as normal.
 - c. If the Owner still refuses to cooperate, the Chairman may choose whether to adjourn the meeting to another time, or to call law enforcement/security to have the Owner escorted out of the meeting.
- I. Executive or Closed-Door Sessions
1. Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed-door session and may restrict attendance to members of the Board 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 C.R.S. 38-33.3-308(4), as amended, or other applicable laws. 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; or
 - f. Review of or discussion relating to any written or oral communication from legal counsel.
 2. Prior to the time the members of the Board convene in executive session, the Chairman shall announce the general matter of discussion. No rule or regulation of the Board shall be adopted during the executive session. A rule or regulation may be adopted only during a regular or special meeting or after the Board goes back into regular session following an executive session.
- J. Attorney/Client Privileged Communications: Upon the final resolution of a 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.

BOARD MEETINGS

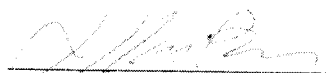
- A. A Board Meeting shall be defined as a planned meeting of all members of the Board that is intended to administer the affairs of the Association and is attended by a quorum of the Board
- B. Meetings of the Board shall be in accordance with Article VI, Section 4 of the Bylaws and pursuant to C.R.S. 38-33.3-308 (2)(a). Unless in executive session, all regular and special meetings of the Board, or any committee thereof, shall be open to attendance to all Owners or their representatives. If deemed necessary by the President, in order to administer the affairs of the Association, meetings of the Board may be held as frequently as needed, at such place and time at the discretion of the President.
- C. Agenda: The President of the Board, and in his/her absence, the Vice President, shall be Chairman of all meetings. Agenda for meetings of the Board shall be made reasonably available for examination by all Owners of the Association or their representatives. Owners who desire to speak before the Board on an item under discussion are requested to notify the President in advance of the meeting, so the agenda can be planned accordingly. Agenda items will include, but are not limited to:
 - 1. Approval of prior meetings' minutes
 - 2. Approval of monthly financials
 - 3. Announcements
 - 4. Old Business
 - 5. New Business
 - 6. Open Forum
- D. Owners' Right to Speak before Board Action
 - 1. During the discussion of an agenda item, the Chairman will recognize Owners who have requested to speak at the appropriate point on the agenda; whether during discussion of an agenda item or, for items not on the agenda, during the open forum
 - 2. The Board shall permit Owners to speak before the Board takes formal action on any item under discussion, in addition to any other opportunities to speak. The Board may place reasonable time restrictions on those persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue.
- E. Nothing in this policy and procedure is intended to preclude the Board from conducting such business as may come before it between Board Meetings
- F. All such business and decisions of the Board shall be recorded and available to the membership

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 17 day of MAY, 2020.

Innsbruck Townhome Owners Association

A handwritten signature in dark ink, appearing to be 'J. H. Smith', written over a horizontal line.

President

Innsbruck Townhome Owners Association

Policies and Procedures For Handling Conflicts of Interest

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy governing the handling of conflicts of interest among members of the Board.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following to govern how conflicts of interest involving members of the Board are handled.

- A. In the event any member of the Board or a committee thereof ("Interested Party"), the Interested Party's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business ("Related Parties") has/have a Financial Interest, as described below, in a decision or other action for the Board's consideration, the Interested Party must declare at an open meeting of the Board of the conflict and describe in detail all of the particular facts of the conflict of interest. The declaration of conflict must be made prior to any discussion or action being taken by the Boards. The member of the Board, after declaring the conflict, may participate in the discussion, but that member may not vote on that issue.
- B. Definitions
 1. Financial Interest shall arise if the Interested Party or Related Parties have:
 - a. An ownership or investment interest in any entity with which the Association has, or contemplates a transaction agreement;
 - b. A compensation arrangement;
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or agreement
 2. Compensation shall include direct and indirect compensation as well as gifts or favors even if insubstantial
 3. Conflicting transaction means; a contract, transaction, or other financial relationship between the Association and a member of the Association's Board ("Director"), or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.
 4. Director, as used in this policy, is a member of the Association's Board of Directors.
 5. Officer, as used in this policy, is any person designated as an officer of the Association and any person to whom the Board delegates responsibilities.
 6. Party related to a Director is a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director or officer or has a financial interest.

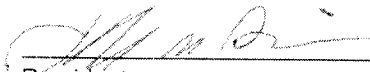
- C. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of such a loan shall be liable to the Association for the amount of the loan until it is repaid
- D. No conflicting interest transaction shall be voidable by an Owner on behalf of the Association if:
1. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
 2. The facts about the conflicting interest transaction are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or
 3. The conflicting interest transaction is fair to the Association
- E. A contract entered into, or action taken, in violation of this policy or C.R.S. 38-33.3-310.5 shall be void and unenforceable. Further, the Association may seek restitution for damages resulting from the member, or members, who failed to comply with this policy or C.R.S. 38-33.3-310.5, including all costs and attorney fees incurred in obtaining said restitution.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 17 day of MAY, 2020.

Innsbruck Townhome Owners Association



President

Innsbruck Townhome Owners Association

Policies and Procedures For Covenant Enforcement Policy and Procedure As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy governing the enforcement of the Declaration of Covenants, Conditions and Restrictions and the Bylaws of the Association.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures to govern the enforcement of the Association's Covenants and Bylaws

- A. Violations may be observed by the Board of Directors, the management company, a committee member or reported via written correspondence through e-mail or mail service. The complaint must state specifically the violation observed and include who the violating party was, that was observed, the date, place and time of the violation and any other pertinent information such as license plate numbers etc.
- B. If full details are not provided with a complaint, further action beyond additional observation cannot be made. The Board and the management company will investigate the complaint further and will make additional observations if required.
- C. If a violation is found and documented the following actions will be taken:
 - 1. A letter will be sent to the owner (and tenant if it is known that the unit is being used as a rental) stating that a violation has occurred while referring them to the governing documents which appear to be in violation. This letter will allow the unit owner to forward documentation, in writing, if they believe the violation did not occur and/or request a hearing. The unit owner will have 30 days to respond to the letter or to correct the violation.
 - 2. If the violation is still observed after 30 days, a second letter will be sent to the Owner (and tenant if it is known that the unit is being used as a rental) stating that if the violation continues then fines will be imposed. The unit owner will have 30 days to correct the violation or request a hearing with the Board (see Dispute Resolution Policy for specifics).
 - 3. If at the hearing it is found that the violation did/does occur, the Owner will be charged a fine beginning on the 30 days after date after the second letter. The Association will charge a \$ 25 fine per week/occurrence for all CC&R non-compliance violations of the governing documents of the Association.
- D. Hearing procedures are as follows:
 - 1. The Board or the management company at the direction of the Board shall conduct the proceedings.
 - 2. The Chair of the meeting will describe the specific provision in the governing documents that is said to have been violated.

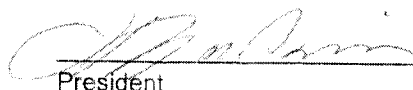
3. Once recognized by the Chair the person charged with the offence will have an opportunity to speak and be represented by council. Witnesses may also be called by either party. Failure to respond or attend the hearing will be constituted as an admission of the alleged violation.
 4. The Board will also have the opportunity to question all witnesses.
 5. At the conclusion of the hearing, the Board will discuss the statements and vote on whether or not the person charged with the violation has violated the governing documents. A majority vote shall control. The results will be recorded in meeting minutes.
 6. Should the Board determine that a violation has occurred they will also determine the corrective action and timeframe to complete such action. Fines may also be imposed as detailed above.
- E. Owners are responsible for any fines that may be levied against their property due to non-compliance of their tenants.
 - F. Non-payment of fines will fall under the Collection Policy.
 - G. In the event a perceived violation is also a violation of Federal, State, or local laws or regulations, the Board or management company will log the information however, the Board will refer the issue back to the complaining resident to contact the appropriate government entity to report the perceived violation
 - H. These enforcement provisions may be in addition to other specific provisions outlined in the Governing Documents and the Association is not required to follow these enforcement provisions before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as Code Enforcement, Police, Fire, or Animal Control, as it deems appropriate
 - I. The Association's primary objective is to uphold the terms of the Governing Documents that benefit the community at large. To the extent that a neighbor-to-neighbor dispute exists, the Board encourages the neighborly approach to resolve the dispute in an informal and cooperative manner if possible; particularly with issues that impact the parties involved, but not necessarily other members of the community. In some cases, an involved party may wish to seek formal resolution, or a community mediator may be brought in to resolve such disputes.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 17 day of May, 2020.

Innsbruck Townhome Owners Association



President

Innsbruck Townhome Owners Association

Policies and Procedures For Dispute Resolution between the Association and Owners

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To provide a more efficient means of resolving disputes involving the Association and/or the Declaration of Covenants, Conditions, and Restrictions, or the Bylaws ("Governing Documents") and to reduce the costs and fees associated with dispute resolution.

WHEREAS, the Colorado Common Interest Ownership Act, in C.R.S. 38-33.3-124, encourages common interest communities to adopt protocols that make use of mediation in resolving disputes between the Association and one or more owners.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures governing the resolution of disputes.

Except as provided herein, the following procedures will be followed in all disputes or claims involving the Association and/or the Association's Governing Documents

A. Dispute Resolution Procedures

1. Prior to proceeding with any claim, the party asserting the claim ("Claimant") shall give written notice of such claim to all opposing parties ("Respondent"), which notice shall state plainly and concisely:
 - a. The nature of the claim, including all persons involved and Respondent's role in the claim;
 - b. The legal or contractual basis of the claim (i.e. the specific authority out of which the claim arises); and
 - c. The specific relief and/or proposed remedy sought.
2. After the Respondent receives the notice of claim, the parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the claim by good faith negotiation. Such efforts may include inspections of the Claimant's or the Respondent's claim for purposes of evaluation of any alleged violation. Any party may be represented by attorneys or independent consultants to assist in the negotiations and to attend meetings.
3. If the parties do not resolve the claim through negotiations within sixty (20) days after submission of the claim to the Respondent, the Claimant shall have an additional sixty (20) days to submit the claim for mediation. In the event the parties are unable to obtain a mediator, a mediator shall be appointed upon application of either party to the District Court of Mesa County. In such event, the claim shall be deemed to be submitted upon filing the petition for appointment of the mediator.
4. If the Claimant fails to submit the claim to mediation within such time, or fails to appear at the mediation, the Claimant shall be deemed to have waived the claim, and Respondent shall be released and discharged from

any and all liability to Claimant on account of such claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than Claimant.

5. Any settlement of the claim through mediation shall be documented in writing by the mediator and signed by the parties. If a termination of the mediation occurs, the mediator shall issue a written statement advising the parties are at an impasse.
6. Unless otherwise agreed, each party shall bear its own costs of the mediation, including attorney fees, and each party shall share equally all charges of the mediator
7. Upon termination of mediation, if no resolution is reached, if Claimant desires to pursue the claim, Claimant shall thereafter be entitled to initiate final, binding arbitration of the claim with the American Arbitration Association or such other forum as may be agreed upon by the parties. Any award rendered may be entered in and enforced by any court having jurisdiction over the claim. Unless otherwise mutually agreed to by the parties for the claim, there shall be one arbitrator who, to the extent feasible, shall have expertise in the area(s) of dispute. In the event the parties are unable to agree upon an arbitrator within thirty (30) days after written notice, the presiding Judge of the District Court of Mesa County shall appoint an arbitrator qualified as set forth above upon application of a party.
8. The award of the arbitrator shall be accompanied by detailed written findings of fact and conclusions of law. In any arbitration, the arbitrator shall award the substantially prevailing party its reasonable costs and attorney fees. Except as may be required by law or for confirmation of an award, neither party nor the arbitrator may disclose the existence, content, or results of any arbitration without the prior written consent of all parties to the claim. Any award shall be enforceable in accordance with the C.R.S. 13-22-201 et seq., as amended from time to time.

B. Exclusions

1. Unless all parties thereto otherwise agree, the following disputes or claims shall not be subject to the provisions of this policy:
 - a. An action by the Association relating to the collection or enforcement of the obligation to pay assessments or other charges set forth in the Association's Governing Documents or Rules; and
 - b. An action by the Association to obtain a temporary restraining order or preliminary injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to enjoin any immediate threat to persons or property, except that, once any temporary restraining order or preliminary injunctive relief is obtained, resolution of any permanent injunction claims shall be through arbitration as set forth herein; and
 - c. Any action between or among Owners, which does not include the Association as a party, if such action asserts a claim which would constitute a claim for relief independent of the Association's Governing Documents; and
 - d. Any action in which any indispensable party is not the Association, its officers, directors, or committee members, or a person subject to the Association's Governing Documents, or their officers, directors, partners, members, employees and agent; and
 - e. Any action to enforce a settlement agreement or arbitration award made under the provisions of this policy.

- C. **Judicial Enforcement.** If the parties agree to a resolution of any claim through negotiation or mediation in accordance with this policy, and any partner thereafter fails to abide by the terms of such agreement, then any other party may file its action in court to enforce such agreement without the need to again comply with the procedures set forth in this policy. In such event, the party taking action to enforce the agreement shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties as the court may determine) all costs incurred in enforcing such agreement, including without limitation, reasonable attorney fees and court costs.

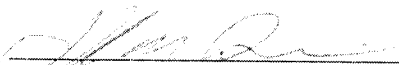
- D. **Statute of Limitations.** No claim may be initiated after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitation or statute of repose

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 17 day of May, 2020.

Innsbruck Townhome Owners Association



President

Innsbruck Townhome Owners Association

Policies and Procedures For Inspection and Copying of Association Records

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy governing the inspection and copying of Association records by Association Members; to establish the type of records kept by the Association or its Management Company; and to establish the cost of copying Association records.

WHEREAS, the Colorado Common Interest Ownership Act (CCIOA), in C.R.S. 38-33.3-317 gives all Members the right to examine and copy the financial and other records of the Association.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following to govern the inspection and copying of Association records.

A. Records Kept by the Association

1. Many records will be available to Owners on the Association's website, which is maintained by its Management Company.
2. The Association shall keep as permanent records the following documents:
 - a. Minutes of all meetings of Owners;
 - b. Minutes of all meetings of the Board and committees of the Board;
 - c. A record of all actions taken by the Owners or the Board by written ballot or written consent in lieu of a meeting;
 - d. A record of all actions taken by a committee of the Board in place of the Board on behalf of the Association;
 - e. A record of all waivers or notices of meetings of Owners and of the Board or any committees of the Board;
 - f. A record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owner is entitled to vote;
 - g. All tax returns filed on behalf of the Association;
 - h. Financial records sufficiently detailed to enable the Association to establish the amount of unpaid assessments, late fees, interest, and other legal charges for each Owner.
3. In addition to the above, the Association shall keep a copy of each of the following records at its Management Company or principal office:
 - a. Articles of Incorporation;
 - b. Declaration of Covenants, Conditions and Restrictions;
 - c. Bylaws;
 - d. Plat;

- e. Association owned or granted easements and other ownership rights such as water rights;
- f. Resolutions adopted by the Board;
- g. Minutes of all Owners meetings and records of all actions taken by Owners without a meeting for the past three (3) years;
- h. All written communications within the past three (3) years to Owners;
- i. A list of the names and business or home address of the Association's current directors' and officers';
- j. The Association's most recent annual report;
- k. All financial statements, tax returns, audits or reviews conducted pursuant to Section 38-33.3-303(4)(b) during the immediately preceding three (3) years.

B. Requesting Inspection

1. An Owner, or duly appointed representative, is entitled reasonable access to the Associations records for inspection and copying.
2. So the Association will have the desired books, records and personnel available, a written notice of intent to inspect must be submitted to the Associations' Management Company, or the Board, at least ten (10) business days prior to the planned inspection. The notice must describe with reasonable particularity which records are to be inspected.
3. The Association shall make the requested records available within ten (10) business days of the Owner's request, or at the next regularly scheduled Owner or Board meeting, if the next regularly scheduled Owner or Board meeting is scheduled within thirty (30) days of the Owner's request, in the sole discretion of the Board. The Board shall advise the Owner of the time and place of such inspection in writing.
4. All records shall be inspected at the principal office of the Association or its Management Company, between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday. At the discretion of the Board, inspection or copying of records may also be done during the next regularly scheduled Owner or Board meeting occurring within thirty (30) days of the Owner's request.
5. At the discretion of the Board or the Association's Management Company, certain records may only be inspected in the presence of a member of the Board or an employee of the Management Company. No records may be removed from the office without the express written consent of the Board. Further, if any Owner requests to inspect records, the Association may photocopy and provide the requested records to the Owner, in lieu of the Owner's inspection of the records, if consented by the Owner.
6. The Association may charge a fee, not to exceed the Association's actual cost-per-page for copies of the Association records and may collect such a fee in advance.

C. Limitations

1. Consistent with individual Owner's right to privacy, attorney-client confidentiality and other considerations, the following records will not be made available without the express written consent of the Board:
 - a. Confidential personnel records;
 - b. Confidential litigation files and matters covering consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or are privileged or confidential between attorney and client.
 - c. Files dealing with investigative proceedings concerning possible or actual criminal misconduct;
 - d. Any matter, the disclosure of which would constitute an unwarranted invasion of individual privacy;
 - e. Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board.

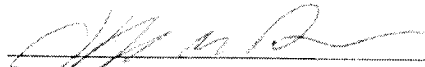
2. Without the express written consent of the Board, a Membership list or any part thereof may not be obtained or used by any person:
- a. For any purpose unrelated to an Owners interest as an Owner;
 - b. To solicit money or property, unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
 - c. For any commercial purpose;
 - d. To be given, sold or purchased by any person or entity; or
 - e. Any improper purpose as determined in the sole discretion of the Board.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 17 day of MAY, 2020.

Innsbruck Townhome Owners Association



President

Innsbruck Townhome Owners Association

Policies and Procedures For Investment of Reserve Funds

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy governing the investment of reserve funds

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures to govern the investment of reserve funds:

- A. The Board is bound by the standard of conduct set out in Section 7-128-401 of the Colorado Revised Nonprofit Act, which states in part that each Director shall act *"in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances; and in a manner the director or officer reasonably believes to be in the best interest of the non-profit corporation."*
- B. C.R.S. 38-33.3-303(2)(b) provides that Members elected to the Board will be liable for wanton or willful actions or omissions.
- C. The Colorado Courts have applied the Business Judgement Rule in their review of actions taken by Boards of Colorado nonprofit corporations.
 1. Without waiving the statutory duty of care applicable to the Board as elected by Owners, the Association, acting through the Board, shall exercise business judgement in the investment of reserve funds
 2. The Board will determine what percentage of the HOA's funds are to be invested. The amount invested will be reflected in the Association's Annual Budget
 3. Balances in savings, or any other reserve investment(s), shall be made known at the Association's Annual Membership Meeting to update reserve status to Owners
 4. In the event the Board lacks experience in the investment options being considered to evaluate the safety and income potential, the Board may consider the opinions of: its legal counsel, its public accountant, or other person the Board reasonably believes is competent in such matters, provided that other person will not directly benefit from the investment or that person is insured against errors and omissions.
 5. The Board shall discuss the results of the investigation and the options for investment which meet the Association's goals for safety and income potential. Emphasis will be placed on the preservation of:
 - a. Safety of Income-Income will continue to be paid in amount expected at time expected
 - b. Safety of Principal- Principal value of investment available at the outset will be available at maturity.
 - c. Liquidity- Associations reserve funds should be liquid funds to have quick access to cash for an emergency
 - d. Yield- the return gained on the investment.

6. Reserve funds documents, banking accounts, and investment documents are to be reviewed annually or before maturity deadlines to make necessary arrangements for continued reserve investment(s).
7. All accounts or investments of reserve funds should be listed in the name only of Innsbruck Townhome Owners Association. No individual homeowners name is to be listed on the account or investment
8. All funds deposited, withdrawn, or transferred from accounts should have full approval from the Board and should be documented in meeting minutes.
 - a. Amount withdrawn, transferred or deposited; by whom, date, and amount of money; and reason or purpose for said action should be approved and documented
 - b. All withdrawals must have two members from the Board present at the time of the transaction. The board members present may not be from the same household or related occupants
9. Should any banking or investment institution require a signature card, the Board will provide two signatures on any such required and signatures cannot be from members of the same household or related occupants.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 12 day of May, 2020.

Innsbruck Townhome Owners Association



President

Innsbruck Townhome Owners Association

Policies and Procedures For Reserve Study

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Innsbruck Townhome Owners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately

PURPOSE:

To adopt a policy addressing the need for a reserve study, funding of any work recommended by the reserve study and projected sources of funding, and whether the reserve study is based on a physical analysis or financial analysis. An internally conducted reserve study shall be sufficient.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures regarding reserve studies:

- A. Need for a Reserve Study- the Association is obligated to maintain, repair, replace or improve certain improvements within the community.
- B. The Association will conduct periodic reserve studies based on recommendations obtained from an independent, qualified reserve study professional or an internally conducted reserve study.
- C. Depending on available resources, the Association may either engage a third-party or may made in-house interim updates to a professional reserve study and may adjust the schedule for updating the reserve study. An update to a reserve study may result from an on-site review of the property or an off-site review of the reserve study and the Association's governing documents. The Board of Directors should consider the following factors when determining the schedule for interim updates to a reserve study:
 - 1. Significant additions or replacements to the common elements since the last reserve study;
 - 2. Wear and tear on common elements due to unseasonable weather or lack of maintenance;
 - 3. Technological or product development improvements that could result in cost savings;
 - 4. Substantial increases in cost of materials or labor;
 - 5. Any scheduled maintenance, repairs, or replacements that the Association deferred or accelerated;
 - 6. Whether reserve income was received as planned;
 - 7. Whether reserve expenditures were incurred as planned;
 - 8. The Association's selected method of funding reserves
- D. The full reserve study will consist of a physical analysis and a financial analysis. Interim updates may consist of a physical analysis, a financial analysis, or both. A physical analysis includes an inventory of all improvements that the Association is responsible for maintaining, repairing, replacing, or improving and a visual inspection of those items to determine their existing condition. A financial analysis includes an evaluation of the estimated remaining life of an item, the adequacy of existing reserve funds, projected future reserve income, projected future reserve needs, and the ability to meet future reserve needs under the existing funding plan.
- E. The Association currently has an internally conducted reserve study on file.

- F. As of the date of this policy, the Association plans to update its reserve study once every 5 years.
- G. The Association does not allocate reserve funds for improvements costing less than \$ 500 to repair or replace and the Association does not allocate reserve funds for an improvement with an estimated useful life that does not exceed 10 years.
- H. The Board of Directors will endeavor to fund the Association's reserve fund by contributing, as funds are available. Reserve funds may be increased by increasing the allocations from regular assessments, or by special assessments, or both.
- I. The Association may elect to apply funds from its operating account to maintenance, repair, or replacement costs otherwise covered by reserve funds
- J. The Association will invest all reserve funds in accordance with the Association's policy regarding investment of reserve funds.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 17 day of MAY, 2020.

Innsbruck Townhome Owners Association



President