

Resolution No. 1, Series of 2019

A Resolution of the Sun Meadow Estates Homeowners Association, adopting Governance Policies and Procedures

WHEREAS Article II, Paragraph 2 of the 2nd Amended and Restated Declaration of Protective Covenants for Sun Meadow Estates Subdivision provides that the Association, through its Executive Board, shall be authorized and empowered to take each and every step necessary or convenient for the implementation and enforcement of the Covenants, and that the Association shall have the right and the responsibility to maintain, preserve, repair, insure, and otherwise protect and promote the interests of the Owners with respect to all common properties and interests of the Owners and the Association, and

WHEREAS Colorado Homeowner Associations are required by the State of Colorado under CRS 38-33.3-209.5 the Colorado Common Interest Ownership Act (CCIOA) a Colorado State Statute requiring Colorado Homeowners Associations to have a minimum of nine (9) written governance policies and procedures identified as:

- Adoption of Policies
- Conduct of Meetings
- Conflicts of Interest
- Covenant and Rule Enforcement
- Debt Collection
- Disputes between the Association and Owners
- Records Inspection and Copying
- Reserve Investments
- Reserve Studies/Reserve Funding

NOW, THEREFORE, BE IT RESOLVED that the Sun Meadow Estates Homeowners Association does hereby adopt the attached nine (9) written governance policies and procedures.

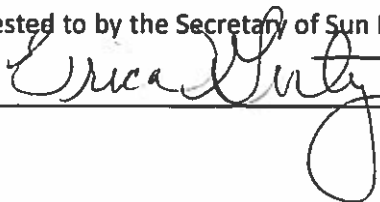
Adopted by the Sun Meadow Estates Homeowners Association on the 16th day of December, 2019.

Sun Meadow Estates Homeowners Association Executive Board



Pat Tucker, President

Attested to by the Secretary of Sun Meadow Estates Homeowners Association



Erica Gentry, Secretary

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICY REGARDING THE ADOPTION OF POLICIES**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding the adoption and amendment of policies, procedures, and rules have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 16th day of December 2019.

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

Adoption of Policies and Rules. The Executive Board may adopt or amend policies, procedures and rules to govern or manage Sun Meadows Estates Homeowners Association at any properly noticed Board meeting, special meeting or annual meeting in open session.

Notice. Prior to formal Board action, the Executive Board shall give notice of the proposed policy, procedures, or rules in an email not less than 30 days prior to action. The notice will include the full text or any new or proposed change.

Right to Comment. Any Member may submit a comment orally or in writing regarding the proposal before or at the meeting at which the action is taken.

Notice of Adoption. Once a policy, procedure or rule has been adopted or amended, members will receive a final copy via email.

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICY REGARDING CONDUCT OF MEETINGS**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding the conduct of meetings have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 16th day of December, 2019.

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

Executive Board Meetings. All regular and special meetings of the Executive Board, or any committee thereof, shall be open to attendance by all Owners or to any person designated by an Owner. At regular and special meetings of the Board, the Board shall permit Owners or their designated representatives to speak before the Board takes formal action on an item under discussion. The Board shall provide for a reasonable number of persons to speak on each side of an issue. However, the Board may place reasonable time restrictions on those persons speaking during any meeting.

Homeowners Meetings. All meetings shall be conducted upon parliamentary procedure following Roberts Rules of Order. All meetings of the Association are open to every Owner, or their designated representative who shall be permitted to attend, listen, and speak at appropriate times during the deliberations and proceedings.

Quorum and Voting. As defined by the Sun Meadow Estates Covenants, the presence at a meeting, in person or by proxy, of 67% of Owners in good standing shall constitute a quorum. Voting by proxy shall be governed by Colorado Revised Statute 38-33.3-310. Any other matter put before the assembly for a vote may be by any means acceptable to the assembly or by secret ballot if requested.

Notice. Notice of the Annual Meeting, Special Meetings and Board Meetings shall include the agenda and a general description of items to be discussed and will be sent via email no less than 7 days prior to the meeting to all Owners at email addresses provided to the Association. Public notice shall be given for all Homeowners meetings at least 30 days in advance in a physical location determined by the Executive Board.

Open Forum. The agenda for Homeowners meetings shall include an Open Forum during which any Owner or their designated representative who wishes to speak will have the opportunity to do so. The Chairperson of the meeting shall acknowledge those Owners wishing to speak and may place reasonable limitations upon the time given to each Owner to allow sufficient time for as many Owners as possible to comment within the time permitted.

Owner Conduct. Owners are expected to limit their comments to the appropriate and allotted public comment sections of the meetings. Owners are expected to be respectful and courteous in their conduct and remarks. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. At their discretion, the Chairperson may issue an oral warning to the Owner concerning their behavior or call a recess and speak directly to the Owner. If the Owner still refuses to cooperate, the Chairperson may choose whether to adjourn the meeting to another time or to call law enforcement/security and have the Owner removed from the meeting.

Ultimately in the event of any Owner exhibiting disrespectful or offensive behavior or language, the Chairperson shall have the authority to immediately act and take appropriate actions should the situation warrant it.

Attorney/Client Privileged Communications. Upon the final resolution of any matter for which the Executive 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.

Executive Session. The Executive 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 Executive Board. The matters to be discussed at such an executive session are limited to:

- 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;
- 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;
- Investigative proceedings concerning possible or actual criminal misconduct;
- Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- Review of or discussion relating to any written or oral communication from legal counsel.

Prior to the time the members of the Executive Board convene in executive session, the Chairperson shall announce the general matter of discussion as enumerated above. No rule or regulation of the Board shall be adopted during an 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.

Executive Board Member Selection: Positions on the Executive Board shall be elected by secret ballot if the open position is contested. If there are only single nominees/volunteers for Board positions, Owners may be elected to the Executive Board by acclamation. The affirmative vote required for the election of Owners to the Executive Board shall be the candidates receiving the largest number of votes.

Qualifications and Term Limits of Executive Board Members. Executive Board members shall be elected to serve a term of 1 year with an unlimited amount of terms served. When possible, term limits should be staggered to prevent situations where entire Boards are vacated in one session. Qualified candidates should meet the following criteria:

- 18 years of age or older
- Meets the definition of "Owners" as outlined in Article II, Paragraph 1 of the Sun Meadow Estates 2nd Amended and Restated Declaration of Protective Covenants.
- In good financial standing with the Homeowners Association
- Only one Owner from each property may sit on the Executive Board

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICY REGARDING CONFLICTS of INTEREST**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding conflicts of interest have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 16th day of December, 2019.

Purpose: To adopt a policy and procedure to be followed when an Executive Board member has a conflict of interest to ensure proper disclosure of the conflict and voting procedures.

General Duty. The Executive Board 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 all in the community. All members of the Board shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to, the Association. All members of the Board shall avoid conflicts of interest and conflicting interest transactions in their dealings with and representation of the Association, and shall avoid the appearance of impropriety in those dealings.

Definitions.

- “Conflict of interest” means circumstances under which an Executive Board member may be unduly influenced in his or her decision making process in favor of or against any particular action.
- “Conflicting interest transaction” means any contract, transaction, or other financial relationship between the Association and an Executive Board member, or between the Association and a party related to a Board member, or between the Association and an entity in which a Board member of the Association is a director or officer or has a financial interest.
- “Party related to a Board member” means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board member or a party related to a Board member has a beneficial interest, or an entity in which a party related to a Board member is a director, officer, or has a financial interest.

Loans to Executive Board Members. No loans shall be made by the Association to any Board members or officers.

Disclosure of Conflict of Interest or Conflicting Interest Transaction. At the commencement of any meeting of the Executive Board, or prior to a specific item discussion, all Board members shall declare any conflicts of interest in any matter affecting the Association that has not previously been disclosed. If such declaration is made, the interested Board member shall describe in detail, all of the particular facts concerning the conflict. If a Board member believes that the interested Board member has a conflict of interest, or that the contract, transaction or other financial relationship being discussed might constitute a conflicting interest transaction, that Board member shall disclose the facts upon which such belief is formed. The remainder of the Board, not including the interested Board member, shall determine if a conflict of interest or conflicting interest transaction exists.

Action Upon Disclosure. If the remainder of the Executive Board determines that a conflict of interest or a conflicting interest transaction exists, the interested Board member may be counted as present for purposes of establishing a quorum of the Board, but the interested Board member shall not participate in a discussion of the matter nor shall the interested Board member vote on the issue.

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICY REGARDING DEBT COLLECTION**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding debt collection have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 11th day of December, 2019.

Purpose: To ensure the financial well-being of the Association by establishing a uniform and systematic procedure for collecting assessments and other charges of the Association.

Collection Philosophy: The debt collection policy is required by Colorado state law to provide clear and consistent direction to the Executive Board and Owners concerning collections. The ability of the Homeowners Association to assess dues and related penalties is provided for in the Covenants and all Owners are obligated by the Declaration of Covenants for Sun Meadow Estates to pay all dues and assessments in a timely manner. Failure to do so jeopardizes the Association's ability to pay its bills. Accordingly, the Association, acting through the Executive Board must take steps to ensure timely payment of assessments.

Homeowner Association Dues. The Executive Board will decide on the annual dues amount and vote to adopt the rate at a Homeowners meeting to be held annually. Dues will be approved at that meeting and will become effective on January 1 of the following year and will remain in effect for 12 months. Owners may elect to pay dues monthly, quarterly or annually. The payment schedule is as follows:

- Dues for residents paying monthly are payable on the first day of each calendar month
- Dues for residents paying quarterly are due on the first day of each quarter (January 1, April 1, July 1, October 1)
- Dues for residents paying annually are due on the first day of each calendar year (January 1)

Owners may pay in advance at any time. All payments, including any late charges, fines, special assessments, etc. must be paid in full and all payments should be sent to the Association's accounting service at the address provided.

Special Assessments: Special assessments or other charges may be made from time to time by the Association in accordance with the Declaration of Covenants and are due and payable as specified by the resolution authorizing such assessment or charge.

Late Fees and Interest. Any annual assessment, special assessment or other charges not paid to the Association within 45 days of the due date shall be considered past due and delinquent and the Association shall be entitled to impose a late fee of \$50 per month and each month after that while past due balance is still due. All such fees shall be due and payable immediately, without notice, in the manner provided for payment of assessments. The Association may send an email notifying the Owner that their account is past due and that late fees may be assessed to the Owners account.

Notifications of Delinquency. Prior to turning accounts over to a collection agency or attorney, the Association shall cause a Notice of Delinquency to be sent to the Owner who is delinquent in payment. Such notice shall specify the following:

- The total amount due with an accounting of how the amount was determined;
- The name and contact information for the person the Owner may contact to request a copy of the statement of the Owner's account in order to verify the amount owed;
- The action required to cure the delinquency and the specific action required to cure the default and the payment due date; and
- Whether an opportunity to enter into a payment plan exists and what the requirements and conditions will be.
- Failure to cure the delinquency within 15 days may result in
 - the delinquent account being turned over to a collection agency
 - the delinquent account being turned over to the Association's attorney
 - a lawsuit being filed against the Owner
 - the filing and foreclosure of a lien against the Owner's property
 - Irrigation and potable water shutoff, and/or
 - Other remedies available under Colorado law

The Notice of Delinquency shall be mailed to the Sun Meadow Estates address on file. The Association may, but shall not be required to, send additional notices to the Owner, either before or after the Notice of Delinquency 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 outlined above.

Offer of Payment Plan. The Association shall offer a payment plan to any delinquent Owner and make a good faith effort to coordinate a payment plan with the Owner under the following guidelines:

- The payment plan must allow the delinquent Owner the right to pay off the delinquency in equal installments over a period of at least six (6) months; all while keeping up with current dues.
- The Association is not required to offer a payment plan or negotiate such a plan with an Owner who has previously entered into a payment plan with the Association;
- The Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the period of the payment plan, constitutes a failure to comply with the terms of the payment plan.
- The Association may pursue legal action against the Owner if the Owner fails to comply with the terms of the payment plan.

Referral of Delinquent Accounts to Attorneys. After the deadline stated in the Notice of Delinquency has expired, the Association may refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys may 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 may be set up and monitored through the attorney. After consultation with the Executive Board or the Association's managing agent, the attorneys shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Owner's property.

Attorneys' Fees on Delinquent Accounts. The Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner.

Filing of 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 of the delinquent Owner. The lien shall include assessments, fees, charges, late charges, attorneys' fees and fines owed by the delinquent Owner allowed under law. Full payment of all lien costs is required for the lien to be removed. Lien costs are not negotiable once a lien has been filed.

Foreclosure of Lien. Notwithstanding any provision of this policy to the contrary, the Association may only foreclose the lien if:

- The balance of the assessments and charges secured by the lien equals or exceeds twelve (12) months of regular assessments based on the periodic budget adopted by the Association; and
- The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Owner's property on an individual basis.

Return Check Charges. A twenty five dollar (\$25.00) 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. 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.

Water Shutoff. The Executive Board may, at its sole discretion, turn off potable water and irrigation water to the Owner's residence as a remedy for delinquency. If the Board decides to take this action, a physical notice will be placed on the front door of the home and a certified letter will be sent to the Owner advising them and providing them a final opportunity to pay their bill, which must be paid within 10 days of the date on the letter. Any locking devices, retrofitting, plumber services, etc. needed to lock and unlock the water supply will be assessed to the Owner.

While the Executive Board fully intends to implement this policy as written, it cannot cover every situation. When there are extenuating circumstances with an Owner's specific situation and the Owner has brought the issues to the Board's attention prior to the payment deadlines being missed, the Executive Board retains discretion and flexibility to handle the specific situation. If the Executive Board does deviate from this policy based on a specific situation, it does not create any precedents for future issues.

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICIES AND PROCEDURES FOR COVENANT AND RULE ENFORCEMENT**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding covenant and rule enforcement have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 16th day of December, 2019.

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

Reporting Violations. Complaints regarding alleged violations may be reported by an Owner within the community, a group of Owners, the Association's Manager, if any, Executive Board member(s) or committee member(s) by submission of a complaint.

Complaints. Complaints by Owners shall be in writing and submitted to the Executive Board. The complaining Owner shall have observed the alleged violation and shall identify themselves and the alleged violator, if known, and describe the alleged violation. The specific provisions which are alleged to have been violated, when the violation was observed, and any other pertinent information should be included. Complaints failing to include any information required by this provision may cause the complaint to not be investigated or prosecuted at the discretion of the Association.

Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Executive Board shall have sole discretion in appointing an individual or committee to investigate the matter.

Notification Email. If a violation is found to exist, an email shall be sent to the Owner explaining the nature of the violation. If the violation is a continuous violation, meaning one that continues and is uninterrupted by time, the letter shall advise the Owner that he or she will have 10 days from the date of the letter to come into compliance, and shall advise the Owner if he or she does not come into compliance, they may be subject to fines. If the violation is not a continuing one, meaning the violation is a one-time discrete violation, the letter shall contain a statement advising the Owner that a violation has occurred and that subsequent violations of the same rule or covenant may result in the imposition of fines. The letter shall further state that the Owner is entitled to a hearing on the merits if requested in writing within 10 days of the subsequent violation letter.

Continued or Subsequent Violation. In the case of a continuous violation, if the Owner does not come into compliance within 10 days of the notification email, a second email shall then be sent to the Owner indicating the fines that will be assessed to their account. In the case of one-time discrete violations, if the Owner subsequently violates the same rule or regulation for which the Owner received a prior email, a second email shall then be sent to the Owner notifying them of fines to be assessed to their account.

Notice of Hearing. If a hearing is requested by the Owner, the Executive Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may provide notice of the hearing to all parties involved at least 10 days prior to the hearing date.

Impartial Decision Maker. Pursuant to Colorado law, the Owner has the right to be heard before an "Impartial Decision Maker". An Impartial Decision Maker is defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Executive Board may appoint to act as the Impartial Decision Maker, the entire Board, specified members of the Board, or any other individual or group of individuals.

Failure to Timely Request Hearing. If the Owner fails to request a hearing within 10 days of any email, or fails to appear at any hearing, the Executive Board may make a decision with respect to the alleged violation based on the complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the Owner may be assessed a fine pursuant to this Policy.

Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. 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 Owner is required to be in attendance at the hearing. The Executive Board shall base its decision solely on the matters set forth in the complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, within 10 days the Board shall render its written findings and decision, and impose a fine, if applicable. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

Notification of Decision. The decision of the Executive Board shall be in writing and provided to the Owner within 10 days of the hearing, or if no hearing is requested, within 10 days of the final decision.

Fees and Fine Schedule. The following fine schedule has been adopted for covenant or rule violations:

Annual Dues	\$450 Quarterly (\$150/month)
Transfer Fee	\$100.00
Non-Sufficient Funds Returned Check Fee	\$25.00
Late Fees	\$50.00 per month
Notice of Delinquency	\$100.00
Lien Fee (File and Release)	\$100.00

Covenant Violations:

Single Event Violations:

*Violations that occur one time or multiple single events of the same infraction within a calendar year.
(example: using domestic water to irrigate your yard, barking dogs)*

- First violation: \$25
- Second violation (of same covenant or rule) \$50
- Third violation (of same covenant or rule) \$150

Continuous Violations: \$25 per day

Continuous Violations. Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. For example: the failure to remove unsightly items from a property. If an Owner is determined as having a continuous violation such Owner may be subject to a daily fine of \$25.00 per day per covenant violation if not corrected, following a notice and opportunity for a hearing as set forth above. If the violation is not cured within 30 days after the commencement of the daily fine, the Association may turn the matter over to the Association's attorney to take appropriate legal action.

Multiple or Frequent Violations. If an Owner has multiple different violations, each will be treated and fined separately. Fourth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any owner committing three or more violations in a six 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.

Violations on Common Elements. Owners shall be liable to the Association for any damage to the Common Elements or for any expense or liability incurred by the Association which may be sustained by reason of negligence or willful misconduct of such.

Recovery of costs: In any action to enforce any violation, the Association, if it prevails, shall be entitled to recover all costs, including without limitation, attorney fees and courts costs, reasonably incurred in such action. Legal fees associated with the collection of debt that include but are not limited to jury and other court fees, legal fees and costs, recording fees, service of process fees etc. shall be passed through at cost to the Owner directly from legal invoices.

Serious/Immediate Risk Violations: When a violation concerns a serious, dangerous, or immediate risk situation for person or property, the Executive Board will contact the violator and schedule a hearing as soon as possible to obtain prompt action by the alleged violator to correct and avoid any recurrence.

Guests of the Owner: Owners shall be jointly and severally liable for violations committed by their contractors, agents, guests, or tenants.

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

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICY REGARDING DISPUTE RESOLUTION BETWEEN THE ASSOCIATION AND HOMEOWNERS**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding dispute resolution have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 16th day of December, 2019.

Purpose: To provide an efficient means of resolving disputes or claims involving the Association and/or the Association's governing documents and to reduce the costs and fees associated with dispute resolution. 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.

Informal Resolution. In the event of any dispute involving the Association and an Owner, for which a method, policy or procedure to address such dispute is not provided by the Declaration or Bylaws of the Association, the Owner is invited and encouraged to meet with the Executive Board to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Executive Board, the Board shall make a reasonable effort to comply with the Owner's request. The Board may request the Owner to put the dispute in writing and provide documentation or other information in support of their claim. To promote the informal resolution of such disputes, the Association shall endeavor to promote privacy when dealing with all financial statements and communications between the Owner and the Association.

Assessments. If the dispute involves dues, late charges, liens, collections, etc., and is found to be in favor of the Owner, no late charges will be assessed. If the dispute is found to be in favor of the Association, late charges will be assessed and payment is required within 3 business days.

Mediation and Arbitration. Nothing in this policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. In addition, nothing in the policy shall be construed to require the Association to mediate or arbitrate disputes between Owners. In the event that a need for mediation or arbitration is needed, in such case as a dispute between the Association and Owner, the Association and the Owner may have the choice to decide so. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions available to either party. Any settlement or compromise reached as a result of the policy shall not constitute a precedent for purposes of any other or subsequent dispute between the Association and any Owner.

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICY REGARDING RECORDS INSPECTION AND COPYING**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding records inspection and copying have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 16th day of December, 2019.

Purpose: To adopt a policy regarding an Owner's right to inspect and copy Association records. To adopt a standard procedure to be followed when an Owner chooses to inspect or copy Association records.

Records for inspection. The following are the sole records of the Association for purposes of inspection by Owners:

- Records of receipts and expenditures affecting the operation and administration of the Association
- Minutes of all Homeowners meetings
- Minutes of all meetings of Executive Board members (except records of executive sessions of the Board)
- Records of actions taken by the Executive Board, Owners, or any committee of the Board without a meeting including written communications and emails among Board members that are directly related to the action taken
- A list of the names and addresses of the current Owners
- A list of the names and addresses of the current Executive Board members
- The Association's governing documents which are comprised of the Declaration of Covenants and Governance Policies
- Financial statements for the last 2 years, which at a minimum shall include the balance sheet of income and expense statement and the amount held in reserves.
- Tax returns for the last seven years to the extent that they are available
- The operating budget for the current fiscal year
- Any audits or reserve studies if available
- A list of the Association's insurance policies, including company names, policy limits, deductibles and expiration dates
- Current written contracts for work performed for the Association within the prior two years
- Records of Executive Board or Board committee actions to approve or deny any requests for design or architectural approval from Owners
- Ballots, proxies and other records related to voting by Owners for one year after the election, vote or action to which they relate
- Resolutions adopted by the Executive Board
- All written communications sent to all Owners generally within the last 2 years

Exclusions. The Association may withhold from inspection and copying certain records as provided by Colorado law which shall include, but are not limited to:

- Architectural drawings, plans, and designs, unless released upon the written consent of the Owner of such drawings

- Contracts, leases, bids, or records related to transactions that are currently under negotiation
- Communications with legal counsel that are otherwise protected by the attorney-client privilege
- Records of executive sessions of the Executive Board
- Individual property files other than those of the requesting Owners

Inspection and Copying Association Records. An Owner or their authorized representative is entitled to inspect and copy any of the records of the Association upon submission of a written request. The Association shall provide access to the requested records by:

- Making the requested records available for inspection and copying by the Owner within 10 business days of the Association's receipt of request, or
- Making the requested records available for inspection and copying by the Owner during the next regularly scheduled Board Meeting occurring within 30 days of the Owner's request, or
- Emailing the requested records to the Owner within 10 business days of the Association's receipt of request.

Use of Records. Association records and the information contained within shall not be used for commercial purposes, to solicit money, to solicit votes of the Owners in an Association election, or sold or purchased by any person.

Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association to copy or provide such records for the Owner. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay the deposit shall be valid grounds for denying the request. If the actual cost was more than the deposit, the Owner shall pay such amount prior to receipt of the copies and if the actual cost was less than the deposit, the difference shall be returned to the Owner.

Inspection. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or their representative.

Original. No Owner shall remove any original record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original record of the Association.

Creation of Records. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile or create information.

Document retention. The Association shall be permitted to destroy all records in excess of this policy.

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICY REGARDING RESERVE INVESTMENTS**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding reserve investments have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 16th day of December, 2019.

Purpose: The Sun Meadow Estates Homeowners Association must properly maintain common areas which are the responsibility of the Association and the Executive Board has an obligation to invest and manage reserve funds in a prudent and responsible fiduciary manner. In an effort to comply with state statutes, the Executive Board determines that it is necessary to have policies and procedures for the investment of all funds.

Annual Budget. The Association shall determine and vote to approve an appropriate working budget for each year and present it to the Owners at an annual Homeowners meeting. The annual budget shall identify those funds which are for use in the day to day operations of the Association, and those which have been set aside as a reserve.

Reserve Fund. The purpose of the reserve funds shall be to responsibly fund and finance the projected repair and replacement of those portions of the community infrastructure for which the Sun Meadow Estates Homeowners Association is responsible.

Authority. The ultimate responsibility and authority for investment decisions and transactions involving funds resides with the Executive Board of the Sun Meadow Estates Homeowners Association.

Investment. The Executive Board shall invest monies held in the reserve funds to generate revenue that will accrue to the following goals, criteria and policies, listed in the order of importance:

1. Capital Preservation. The funds risk tolerance is considered low so as to promote and ensure the preservation of the funds principal.
2. Liquidity and Accessibility. Ensure availability of assets for projected or unexpected expenditures.
3. Return. Invest funds to seek the highest available level of return within the established risk tolerance.

**SUN MEADOW ESTATES HOMEOWNERS ASSOCIATION
POLICY REGARDING RESERVE STUDIES & FUNDING**

Pursuant to the provisions of C.R.S. 38-33.3-209.5, the following policies and procedures regarding reserve studies and funding have been adopted by the Executive Board of the Sun Meadows Estates Homeowners Association on the 16th day of December, 2019.

Purpose: The Executive Board seeks to create and maintain a comprehensive financial plan to provide adequate reserves for the orderly maintenance, repair, replacement and improvement of the common elements so as to minimize the risk of special assessments, deferred maintenance, or unfunded losses.

Reserve Fund. The Executive Board shall maintain a reserve fund for the purpose of responsibly funding and financing the projected repair and replacement of those portions of the community infrastructure for which the Sun Meadow Estates Homeowners Association is responsible. The Executive Board shall determine the amount to be maintained in reserves and report annually on the status of the reserve fund.

Reserve Study. The Association can conduct periodic reserve studies for planning and scheduling infrastructure repairs. Reserve studies should be based on recommendations obtained from an independent qualified professional and shall consist of a physical and 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 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 reserve needs under the existing funding plan. The Executive Board should consider the following factors in a reserve study:

- A complete list of components to be maintained, their current quality/condition, estimated useful life, and current replacement cost;
- Significant additions or replacements to the major common area such as water tank, wells, pond, pump house, and roadways;
- A projection of the reserve fund starting balance, reserve contributions needed, expected reserve expenses, and the estimated ending reserve fund balance extending out at least 20 years;

Funding Reserves. The Executive Board shall maintain the reserve fund balance at or above 100% of the fully-funded amount by allocating a portion of regular annual assessments to the reserve fund. In as much as it is possible, the Executive Board will endeavor to plan for infrastructure repairs so as not to create a large financial impact on Owners. The Executive Board may elect to apply funds from its operating account for maintenance, repair or replacement costs otherwise covered by reserve funds should the Executive Board determine that it is financially pertinent to do so.

Emergency Expenses. Should unforeseen circumstances result in the reserve fund balance falling below 100% of the fully-funded amount, the Executive Board will endeavor to bring the fund balance back to 100% within three years by increasing the allocations from regular annual assessments, by special assessments, or both.