

**CROSS CREEK HOA
ADOPTION AND AMENDMENT PROCEDURE**

Effective Date: 12-7-13

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic procedure to amend and adopt policies, procedures and rules.

The Association hereby adopts the following procedure for the adoption and amendment of policies, procedures, and rules:

1. Definitions:
 - A. A policy is a course or principle of action adopted to guide the Board of Directors.
 - B. A procedure is an established or official way of conducting a course of action.
 - C. A rule is defined as a regulation or requirement governing conduct or behavior.
2. Policies and procedures, in general, shall govern the activities of the Board of Directors in the operation of the Association.
3. Rules, in general, shall govern the use of property within the community and the behavior of residents and/or their guests while in the community.
4. The Board of Directors shall have the authority to adopt policies, procedures and rules to the extent they do not conflict with the Declaration, Articles of Incorporation, and Bylaws of the Association.
5. The Board shall have authority to adopt and amend those policies and procedures which govern Association operation. Such policies and procedures shall be adopted at an open Board meeting and documented in the minutes or in a formal resolution.
6. The Board may adopt rules and regulations regarding use of Common Elements and the operation, rental, use and occupancy of units. Prior to adopting final rules, the Board may send notice of a proposed rule to all owners and allow for a comment period. Rules, once adopted, shall be sent to all owners at least 5 days before the effective date.

IN WITNESS WHEREOF, the undersigned certify that the Amendment Procedure was adopted by resolution of the Board of Directors of the Association this 7th day of December, 2013.

CROSS CREEK ASSOCIATION, a Colorado nonprofit
corporation,

By: Rob Luhrs
Its: President

**CROSS CREEK HOA
CONDUCT OF MEETINGS POLICY AND PROCEDURE**

Effective Date: ___ 12-7-13 ___

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy and procedure to address conduct of Board and Member meetings.

The Association hereby adopts the following policy and procedure for Board and Member meetings:

1. BOARD MEETINGS

A. The Board will hold an annual Board meeting to elect officers and conduct any other business that properly comes before the Board. This meeting shall be held immediately following the annual Member meeting, unless the President of the Board determines otherwise.

B. Notice of regular Board meetings shall be given at least 7 days prior to the meeting. Notice of special Board meeting shall be given at least 2 days prior to the meeting. Notice shall be in person, by mail or by telephone. If a schedule is set for regular Board meetings, no notice beyond the schedule need be given.

C. All Board meetings shall be open to attendance by Members of the Association, or their representatives, provided that the Board may go into executive session for any purpose allowed by law. Members may be excluded from executive session. Prior to going into executive session, the chair of the meeting shall announce the purpose for the executive session.

D. The Board may post notice of upcoming Board meetings on the manager's unit and on a website.

E. The meeting agenda shall be made reasonably available for examination by Members of the Association or their designated representatives.

F. There shall be a Members' forum at the beginning of each regular Board meeting. The rules for Member participation during the meetings are as follows:

(i) Each Member who wishes to address the Board on an agenda item or on any other matter will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. After other Members have had an opportunity to speak, then a Member who has already spoken will be given another opportunity, time permitting.

(ii) Each Member who wishes to speak must be recognized by the chair. Once recognized, the Member shall state his/her name and address.

(iii) All comments must be delivered in a businesslike and professional manner. Personal attacks or inflammatory comments will not be permitted.

(iv) A Member who wishes to speak about any matter on the agenda of the Board meeting shall do so only during the Members' forum.

(v) The Board is not obligated to take immediate action on any item presented by a Member.

G. Following the conclusion of the Members' forum, the Board will proceed with the business portion of the meeting. Members who attend or remain may not participate in deliberation or discussion during this portion of the Board meeting unless expressly authorized by a vote of the majority of a quorum of the Board.

H. Items shall be discussed pursuant to the meeting agenda, provided that items may be taken out of order if deemed advisable by a majority of Board Members present. Items not on the agenda may be discussed once all other items have been concluded, time permitting. If items that are not on the agenda are discussed, Members shall be given a reasonable opportunity to comment in accordance with the terms of Paragraph F above.

I. Any director may make a motion. All motions shall be recorded in the minutes. Motions must be seconded to be discussed and voted upon. The minutes shall record the number of votes in favor, votes against, and abstentions. If any director requests his/her vote in favor or against or his/her abstention be recorded in the minutes, the minutes shall so reflect.

J. Board meetings are not required to be held in accordance with Robert's Rules of Order.

2. ANNUAL MEETINGS/SPECIAL MEMBER MEETINGS

A. Notice of a Membership meeting shall be mailed or delivered to each Member 10 – 60 days prior to the meeting with a copy of the membership list as required by the Bylaws. Notice shall also be posted outside the manager's unit and on a website. If a Member requests notice by e-mail only and provides an e-mail address, notice will be provided by e-mail.

B. Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. Voting rights of delinquent Members are suspended and such Members shall not be given ballot. If an election or vote is to be held, the Member will be given the appropriate number of ballots.

(i) Any ballot for the election of directors shall be a secret ballot.

(ii) If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

C. The President of the Board of Directors, or other person directed by the Board, will call the meeting to order and conduct the meeting. The meeting shall proceed in the order set forth in the Bylaws.

D. Each Member who wishes to speak will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the chair's discretion.

E. Members must maintain decorum and refrain from addressing the Membership or Board until recognized by the chair. Upon being recognized, the Member must state his/her name and address.

F. Members may not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. Members may not engage in personal attacks on either Board Members or other Association Members. All comments and questions are to be delivered in a businesslike manner and comments shall be confined to matters germane to the agenda item being discussed. No Member may use abusive, rude, threatening, vulgar or crude language.

G. Members must obey all orders made by the meeting chair, including an order to step down.

H. Any Member who refuses to follow the above rules will be asked to leave the meeting.

I. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or a recommendation for proceeding. Such determination may be made following consultation with legal counsel.

J. Meetings are not required to be held in accordance with Robert's Rules of Order.

IN WITNESS WHEREOF, the undersigned certify that this Conduct of Meetings Policy and Procedure was adopted by resolution of the Board of Directors of the Association on this ___7th_ day of ___December_____, 2013__.

CROSS CREEK ASSOCIATION, a Colorado nonprofit corporation,

By: _____ Rob Luhrs _____
Its: President

**CROSS CREEK HOA
COVENANT AND RULE ENFORCEMENT POLICY**

Effective Date: ___ 12-7-13 ___

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy to address covenant and rule enforcement.

The Association hereby adopts the following policies and procedures for covenant and rule enforcement:

1. Enforcement Procedure. The Board shall not impose fines unless and until the Association has sent or delivered written notice to the Owner and/or violator as provided below.

A. Complaint. Any Owner within the community may send the Association a formal, written complaint via either electronic mail or regular mail of a covenant or rule violation, with as much information as is known. Complaints may also be initiated by the Manager or any member of the Board of Directors. If an oral complaint cannot be independently verified by a Board member or the Association's management agent, the Board may take only limited enforcement action. The Board shall have the authority to determine whether a complaint is justified before continuing with the Notice and Hearing Procedure.

B. Notice of Alleged Violation. A Notice of Alleged Violation of any provisions of the Declaration, Bylaws, Rules and Regulations, or Resolutions shall be provided in writing to the applicable Owner as soon as reasonably practicable following the receipt of a complaint or discovery by the Board of such violation. The Board may also, at its option, provide a copy of such notice to any non-Owner violator. The notice shall describe the nature of the violation and the possible fine that may be imposed, the right to request a hearing before the Board to contest the violation or possible fine, and may further state that the Board may seek to protect its rights as they are specified in the governing legal documents. All notices shall be delivered by messenger or sent by regular U.S. mail.

C. Request for Hearing. If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, or to discuss any mitigating circumstances, the Owner must request such hearing, in writing, within 14 days of the date of the Notice of Alleged Violation. The request for hearing shall describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is not requested within the 14 day period, the Board shall determine if there was a violation based upon the information available to it, and if so, assess a reasonable fine as set forth in the fine schedule, within 30 days of the expiration of the 14 day period. The Board of Directors shall give written notice of said fine to the applicable Owner.

D. Board of Directors to Conduct Hearing. The Board shall hear and decide cases set for hearing pursuant to the procedures set forth herein. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings. The Board shall determine whether a violation exists and impose fines.

E. Conflicts. Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer may

appoint an Association member, in good standing, to serve as a voting member of the hearing board.

F. Hearing. The Board shall inform the Owner of the scheduled time, place and date of the requested hearing by regular U.S. mail. The Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall establish a quorum, explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board. The complaining parties and the Owner shall have the right, but not the obligation to be in attendance at the hearing. Each party may present evidence, testimony, and witnesses. The decision of the Board at each hearing shall be based on the matters set forth in the Notice of Alleged Violation and Hearing, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors in accordance with the terms of the Colorado Common Interest Ownership Act, all hearings shall be open to attendance by all members of the Association. If a complaining party is unable to attend the Hearing, he or she may instead submit a letter to the Board explaining the basis of the complaint.

G. Decision. After all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its written findings and decision, and impose a reasonable fine, if applicable, within 14 days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority vote of the Board of Directors present.

2. Fine Schedule.

A. The following fines are guidelines for violation of the provisions of the Declaration, Bylaws, Rules and Regulations and Resolutions of the Association:

First violation:	Warning letter
Second violation:	\$25.00
Third violation:	\$50.00
Fourth violation	\$75.00
Subsequent violations:	\$75.00
Continuing violations:	\$75.00

The Board reserves the right to fine for first violations of rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the above referenced schedule, if the fines set forth in this schedule are not likely to provide effective incentives to induce compliance.

The Board may waive all, or any portion, of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws or rules.

B. All fines shall be due and payable upon notice of the fine and will be late if not paid within 30 days of the date that the Owner is notified of the imposition of the fine. An interest charge of 12% shall be invoked, plus a \$10.00 per month late charge. All fines and late charges shall be considered an assessment and may be collected as set forth in the Declaration. Fines shall be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

3. Additional Enforcement Rights.

A. Legal Action. The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, rules or resolutions without first following the preceding notice and hearing procedures, if the Board determines that such action is in the Association's best interests.

B. Self-help Remedies. Pursuant to Article XVIII, Section 1 of the Bylaws, the Association or its duly authorized agents shall have the power to enter a unit to abate or remove any person, structure, thing or condition that violates the Declaration, Bylaws or the rules. If the Association exercises its right subject to this paragraph, all costs of self-help shall be the Owner's expense.

4. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, rules and resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

IN WITNESS WHEREOF, the undersigned certify that this Covenant and Rule Enforcement Policy was adopted by resolution of the Board of Directors of the Association on this _7th_ day of __December_____, 2013__.

CROSS CREEK ASSOCIATION, a Colorado nonprofit corporation,

By: _____Rob Luhrs_____

Its: President

**CROSS CREEK HOA
INVESTMENT OF RESERVES POLICY**

Effective Date: 12-7-13_____

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy regarding investment of reserve funds.

The Association hereby adopts the following policies and procedures for investing reserve funds:

1. The Board of Directors shall establish the amount to be transferred to reserve funds on an annual basis.
2. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments as may be recommended by a financial advisor pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds.
3. The reserve funds shall be invested to achieve the following goals, in descending order of importance:
 - A. Promote and ensure the preservation of principal;
 - B. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
 - C. Mitigate the effects of interest rate volatility upon reserve assets;
 - D. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;
 - E. Minimize investment costs.
4. The Board may consider the following circumstances in investing reserve funds:
 - A. General economic conditions;
 - B. Possible effect of inflation or deflation;
 - C. Expected tax consequences;
 - D. Role that each investment plays in the overall investment portfolio;
 - E. Other resources of the Association.
5. All accounts, instruments and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the Board of Directors as appropriate, and shall be reviewed at least once per year.
6. The President, Treasurer or Manager, if authorized by the Board, shall be authorized and empowered to purchase, invest in, acquire, sell or assign any and all types and kinds of investments meeting the goals in paragraph 3; and to enter into agreements, contracts and arrangements with respect to such security transactions and to execute, sign or endorse agreements on behalf of the Association. To withdraw or transfer funds, the signature of two of the aforementioned persons shall be required. If the Manager disburses funds, the Treasurer shall review the books at least quarterly.
7. The Association may carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds.
8. The Association's manager or other person designated by the Board shall maintain monthly statements, including detailed accounting of current values, income and all transactions.

IN WITNESS WHEREOF, the undersigned certify that the Investment of Reserves Policy was adopted by resolution of the Board of Directors of the Association this ___7th_ day of ___December_____, 2013.

CROSS CREEK ASSOCIATION, a Colorado nonprofit corporation,

By: _____Rob Luhrs_____

Its: President

**CROSS CREEK HOA
DISPUTE RESOLUTION POLICY AND PROCEDURE**

Effective Date: _____ 12-7-13 _____

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic dispute resolution policy and procedure.

The Association hereby adopts the following policies and procedures for dispute resolution:

1. Alternative Dispute Resolution Procedures. Alternative methods of dispute resolution to avoid litigation encouraged by the Board of Directors include negotiation and mediation. The Association encourages Owners or residents with disputes to resolve such disputes without court proceedings. The Association will take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.

A. Required dispute resolution procedure. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or property manager of the Association, an Owner must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the Association's property manager. The Owner, in such request and at the hearing, must make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's grievance. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than 14 or more than 30 days from the date of receipt of the request. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but shall not be required to do so.

B. Discretionary dispute resolution procedures. The procedures set forth below may be used in disputes between Owners and residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.

(i) Negotiation. A request for dispute resolution by negotiation may be initiated by an Owner or the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less than 14 or more than 30 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

(ii) Mediation. If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 14 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

IN WITNESS WHEREOF, the undersigned certify that this Dispute Resolution Policy and Procedure was adopted by resolution of the Board of Directors of the Association on this __7th_ day of __December _____, 2013__.

CROSS CREEK ASSOCIATION, a Colorado nonprofit Corporation,

By: _____Rob Luhrs_____

Its: President

CROSS CREEK ASSOCIATION

RESERVE STUDY AND FUNDING POLICY

1. Reserve Study Policy.

- The Association is not required under the community's governing documents to have a reserve study.
- The Association has determined to establish policies on reserve studies as follows:
 - The Association has had a reserve study prepared.
 - The Association plans to update the reserve study annually.
 - Reserve studies are preferred to be performed by the property manager.
 - Reserve studies are preferred to be based on a physical examination of the community by the person preparing the reserve study, but may be performed without a physical examination.

2. Reserve Funding Policy.

- The Association has determined to establish policies on reserve funding as follows:
 - Funding for replacement is preferred to be based upon the financial estimates set forth in the reserve study.
 - Funding for replacement is planned and projected to be from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) assessments of owners, (3) a loan as may be obtained by the Association, and/or (4) any combination of the above.

IN WITNESS WHEREOF, the undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 28th day of February _____, 2014__.

CROSS CREEK ASSOCIATION,
a Colorado nonprofit corporation.

By: Rob Luhrs
President

**CROSS CREEK ASSOCIATION
RECORDS INSPECTION POLICY**

Effective Date: ____2-28-14_____

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic records inspection policy.

The Association hereby adopts the following policies and procedures for records inspection:

1. The Association shall maintain, at a minimum, the following records:
 - A. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;
 - B. minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board;
 - C. a record of Members in a form that permits preparation of a list of names and addresses of all Members, showing the number of votes each Member is entitled to vote ("Membership list");
 - D. the Articles of Incorporation, Declaration, Covenants, Bylaws, rules and regulations, and resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members;
 - E. written communications within the past three years to Members generally as Members;
 - F. a list of the names and business or home addresses of its current directors and officers;
 - G. its most recent annual report, if any;
 - H. all financial audits or reviews conducted pursuant to the Colorado Common Interest Ownership Act during the immediate preceding three years;
 - I. financial records for the past three years and tax returns for the past seven years;
 - J. records of construction defect claims and settlement amounts; if any;
 - K. board communications and votes related to a Board action;
 - L. associations most recent reserve study, if any;
 - M. ballots, proxies and other records related to Owner votes for one year after the related election, action, or vote;
 - N. board adopted resolutions;

- O. all written communications within the past three years to all Owners generally as Owners;
- P. current written contracts and contracts for work performed for the Association within the immediately preceding two years.

2. Records shall be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours upon notice of 5 business days or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request.

3. A Membership list may not be:

- A. used to solicit money or property;
- B. used for any commercial purpose;
- C. sold to or purchased by any person; or
- D. used for any other purpose prohibited by law.

4. Upon receipt of a request, the Association shall make an appointment with the Owner, at a time convenient to both parties, to conduct the inspection. Unless otherwise agreed, all records shall be inspected at the management company's office. All appointments for inspection will be made between 8:00 a.m. and 5:00 p.m., Monday through Friday.

5. At the discretion of the Board of Directors or Manager, records will be inspected only in the presence of a Board member, management company employee or other person designated by the Board.

6. During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means provided by the Association. Copies will be made at a cost of \$0.12 per page. The Owner shall be responsible for paying the total copying cost prior to receiving the copies. If the Association's management company increases or decreases the copying cost to the Association, the copying cost charged to the Owner shall be increased or decreased accordingly, without amendment to this resolution.

7. Records may not be removed from the office in which they are inspected without the express written consent of the Board.

8. The following records will not be available for inspection without the express written consent of the Board:

- A. documents which are privileged or confidential between attorney and client or which concern pending or imminent court proceedings;
- B. documents related to investigative proceedings concerning possible or actual criminal misconduct;
- C. documents which, if disclosed, would constitute an unwarranted invasion of individual privacy;
- D. documents which the Association is prohibited from disclosing to a third party as a matter of law; and

- E. inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board.

9. The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a purpose other than that stated in the Owner's request.

IN WITNESS WHEREOF, the undersigned certify that this Records Inspection Policy was adopted by resolution of the Board of Directors of the Association on this ___28th___ day of _____February_____, 2014_.

CROSS CREEK ASSOCIATION a Colorado nonprofit corporation,

By: _____Rob Luhrs_____

Its: President

**RESOLUTION
OF
CROSS CREEK CONDOMINIUM ASSOCIATION, INC.
COLLECTION OF UNPAID ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure for Cross Creek Condominium Association, Inc. (the "Association") regarding the collection of unpaid Assessments.

PURPOSE: The purpose of this policy is to provide notice of the Executive Board (the "Board") adoption of a uniform and systematic procedure to collect Assessments and other charges of the Association that complies with statutory requirements.

AUTHORITY: The Colorado Common Interest Ownership Act ("CCIOA"), the Nonprofit Corporation Act, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cross Creek Condominiums with the Summit County, Colorado, Clerk and Recorder on December 3, 2001 at Reception No. 669891, (the "Declaration"), the Amended and Restated Bylaws, which together with the Articles of Incorporation, Policies, Rules and Regulations are referenced as the "Association Documents".

EFFECTIVE: Upon Approval

RESOLUTION: The Board hereby adopts the following policy and procedure subject to:

- Definitions: Unless otherwise defined, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
- Compliance with Law. The provisions of this Resolution comply with the provisions of the Declaration and the law of the State of Colorado governing the Association.
- Deviations. The Board may deviate from any provision of this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
- Amendment. The Board may amend the following policies from time to time.

COLLECTION OF UNPAID ASSESSMENTS

1. Purpose of the Collection Policy. One of the many advantages of living in a community association is sharing with other members the costs of certain maintenance, repairs, and amenities that are often too expensive for a single Owner. All Owners are legally bound to share those costs. It is imperative for the proper maintenance of the Association's Common Elements that all Assessments, whether regular or special, be paid in full and on time. Delinquencies throw the Association's entire budget off course and negatively affect all Owners' property values and lifestyles. To maintain our community adequately, state statutes and our Association Documents give the Board the authority to impose and collect Assessments and other allowable charges from Owners. In fact, the Board owes a duty to all Owners to make sure everyone pays. The Board has adopted the following policy to fulfill its duty in a fair, systematic, and impartial manner.

2. Common Expenses and Assessments. Common Expenses are the expenses and liabilities of the Association including allocations for reserves. Common Expenses include expenses of administration and management, maintenance, repair or replacement of the Common Elements; expenses declared Common Expenses by the Association Documents; and expenses agreed upon as Common Expenses by the Owners. Common Expenses are funded by Assessments against the Units as provided in the Declaration including default Assessments for rules violation fines, late fees, common area repairs, insurance deductibles, attorney fees, interest, or other charges imposed under the Association Documents.

3. When Assessments Are Due. Annual Assessments are due in advance on the first day of each year without notice. Owners may pay their annual Assessments in equal monthly installments, which are due in advance and without notice on the first day of each month, or in such other installments as the Board may determine from time to time. Payments for other Assessments, or installments of other Assessments, are due thirty (30) days after the mailing of notice of Owner's obligation to pay, unless otherwise stated. If an Owner does not pay in full any Assessment by its due date the Owner's account is delinquent.

4. Where to Send Payment. Owners shall deliver all payments to the Association as follows:

Cross Creek Condominium Association, Inc.
P.O. Box 2590
Dillon, CO 80435-2590

5. Notice of Delinquency.

a. *First Notice.* After an Assessment is delinquent for thirty (30) days the Managing Agent will send to the Owner a written notice of delinquency ("First Notice"). The First Notice will state:

- i. The total amount due with an accounting of how the total was determined;
- ii. Who the delinquent Owner may contact to verify the amount past due;
- iii. The Owner must cure the delinquency by payment of the amount owed either in a lump sum or under a payment plan pursuant to Section 7, and who the Owner may contact regarding a lump sum payment or a payment plan;
- iv. How payments will be applied to the delinquency;
- v. If the Owner fails to cure the delinquency within 30 days the delinquent account may be turned over to the Association's attorney for collection, filing a lien and other remedies available to the Association pursuant to the Association Documents and Colorado law.

b. *Second Notice.* After an Assessment is delinquent for sixty (60) days, the Managing Agent may send the delinquent Owner a second written notice of non-payment ("Second Notice"). The Second Notice will state the amount past due, that interest and late fees have accrued and the amount thereof, and that the Managing Agent will turn the account over to the Association's attorney for collection if they do not cure the delinquency within 30 days after the date of the Second Notice.

c. *Final Notice.* After receiving the delinquent account, the Association's attorney will file a lien and send a letter ("Final Notice") to the delinquent Owner demanding immediate payment for past due Assessments, and that the delinquent Owner has 15 days from the date of the Final Notice to cure the delinquency. Upon further review, and the Board's compliance with Section 14 below, the Association's attorney may file a lawsuit or pursue other remedies authorized under the Association Documents and Colorado law. A delinquent Owner must pay reasonable attorney's fees the Association incurs together with costs, applicable interest and late fees, whether or not suit is initiated.

6. Collection Remedies. The Association may take any or all of the following actions if an Owner's account is delinquent:

a. Late Fees and Interest. If the Association does not receive payment for any Assessment in full on or before the thirty (30) days after it becomes due, the delinquent Owner must pay a monthly late charge of **\$50.00** as liquidated damages for the Association's time, inconvenience, and overhead in collecting the late payment. The delinquent account will also accrue interest at **21%** per annum from the due date until the date of payment.

b. Returned Checks. Any Owner who writes a check to the Association that the Association's bank returns for any reason must pay the following charges:

i. a return check charge of **\$100.00** plus any related bank charges that the Association incurs because of the returned check; and

ii. If notice has been sent pursuant to C.R.S. § 13-21-109 and the total amount due set forth in that notice is not paid within fifteen (15) days after such notice is given, the person issuing the check, draft or money order will be liable to the Association for collection of three (3) times the face amount of the check, but not less than \$100.00.

iii. If Owner writes two or more checks to the Association that the Association's bank returns for any reason within one fiscal year, the Association may require that Owner to pay Assessments for one fiscal year with certified funds.

c. Reserve Deposit. The Association may require an Owner to deposit with the Association an amount equal to three times the periodic Assessment to be held by the Association as an operational reserve. Payment of such amount shall not relieve an Owner of the obligation to pay the periodic Assessments as they become due. Upon transfer of a Unit, the transferring Owner shall receive any portion of the reserve payment which remains unused as of the date of such transfer.

d. Suspend Privileges. If an account is delinquent for more than sixty (60) days, the Association will give the Owner a thirty (30) day notice of intent to suspend voting privileges.

e. Assignment of Rents. In the event of any delinquency, Owner assigns all rents of their Unit to the Association, who upon written notice to the Tenant will be entitled to collect all rent and other sums due under the rental agreement.

7. Payment Plan: In compliance with C.R.S. § 38-33.3-316.3, the Association will make a good faith effort to set up a payment plan with a delinquent Owner prior to turning the Owner's delinquent account over to a third party debt collector or referring the account to an attorney for legal action. An Owner should contact the Managing Agent to request a copy of the ledger to confirm the amount of Assessments owed or to set up a payment plan.

a. Requirements. A payment plan negotiated between the Association Treasurer or Managing Agent and an Owner pursuant to this Section must permit the Owner to pay off the delinquency in equal installments over a period of at least six months. The plan will also require the Owner to pay all periodic and other Assessments as they become due during the term of the payment plan. A payment plan will contain the material terms as set forth in the template attached as Exhibit A to this Resolution, as may be amended by the Association Treasurer to address the particular circumstances of the delinquency.

b. Default. The Association may pursue any collection remedy or

legal action the Association Documents authorize against an Owner who defaults on the terms of a payment plan entered into pursuant to this Section. An Owner will be in default of their payment plan if the Owner fails to timely pay an agreed upon installment, or if the Owner otherwise defaults under the terms of the payment plan.

c. Exceptions. The Association is not required to set up payment plans with an Owner who does not occupy the Unit and acquired the property as a result of a Default of a Security Interest, or an Owner that has previously entered into a payment plan pursuant to this Section.

8. Habitual Delinquency. An Owner that is more than thirty (30) days delinquent on two or more periodic Assessment payments in any six month period will be considered habitually delinquent. The Board may require habitually delinquent Owners to arrange for payment of future Assessments to the Association by Automated Clearing House (ACH) direct debit transfers or automatic Electronic Funds Transfer (EFT). The Board may not require an Owner to make ACH or EFT transfers for a term longer than twelve (12) consecutive months, unless the Owner requests to continue paying installments of Assessments by ACH or EFT transfers.

9. Crediting Late Payments. All delinquent accounts remain delinquent until paid in full. Acceptance of partial payments will not waive the Association's right to pursue full payment and/or to enforce the provisions of this policy. The Association will apply partial payments to the outstanding balance in the following order:

- a. Post judgment attorney's fees and costs;
- b. Post judgment interest;
- c. Late charges, returned check charges, lien fees, and any other fines or costs owing or incurred;
- d. Interest accrued on any unpaid post judgment Assessments;
- e. Unpaid Assessments, with payments applied to the oldest balance first;
- f. Current Assessments; and
- g. Amounts reduced to judgment.

10. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual or special Assessment of any delinquent account. Such acceleration will result in the entire unpaid Assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated Assessment.

11. Certificate of Status of Assessment. The Association will furnish to an Owner or such Owner's designee within fourteen (14) days after written request to the Association's agent, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit for a fee of **\$50.00**. However, if the account has been turned over to the Association's attorney, such request will be handled through the attorney.

12. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy

filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit, the Managing Agent will notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

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

14. Judicial Foreclosure. If the balance of the delinquent Assessments and charges secured by its lien equals or exceeds six months of Common Expense Assessments based on a periodic budget adopted by the Association, the Association may foreclose on the lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all Assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. With respect to such action:

a. The Board must formally resolve, pursuant to a recorded vote, to authorize the filing of a legal action against an Owner or a Unit.

b. The Board may not delegate its duty under this Section to any attorney, insurer, manager, or other person.

15. Waivers. The Association is authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association determines is appropriate under the circumstances.

16. Notices. The Association will cause a collection or demand letter or notice to be hand delivered or sent to a delinquent Owner at the registered or last known address by regular mail. The Association may, but is not required to send an additional copy of that letter or notice by e-mail or certified mail.

17. Communication with Owners. All communication with a delinquent Owner will initially be handled by the Managing Agent, but once a matter is referred to the attorney communication will be handled through the Association's attorney. A Board member or Managing Agent may not discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

18. Defenses. Failure of the Association to comply with any provisions in this policy will not be deemed a defense to payment of Assessment fees or other charges, interest, late charges, return check charges, attorney fees and/or costs as described and imposed in this policy.

The undersigned officer of Cross Creek Condominium Association, Inc. hereby certifies that the foregoing Resolution is true and correct as adopted by the Executive Board.

_____ Date

By: _____, President