

Section I as Revised on July 25, 2024

**POLICY OF VILLAGE CENTER CONDOMINIUM ASSOCIATION
REGARDING PROCEDURES FOR COLLECTION OF UNPAID ASSESSMENTS**

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

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

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

**EFFECTIVE
DATE:** August 7, 2024

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

1. Due Dates. Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 10th day of each month. Assessments or other charges not paid in full to the Association by the 10th of each month shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association by the 10th of each month shall incur late fees and interest as provided below.
2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.
3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$10.00 late charge for each Owner who fails to timely pay any assessment by the 10th of each month. This late charge shall be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of 8% per annum on the amount owed for each Owner who fails to timely pay their monthly installment of the any assessment by the 10th of each month.

4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Policy, a return check fee, not to exceed \$20.00, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Policy after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of any assessment is not timely made within 10 days of the due date.

6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner. However, the cost charged to the Owner for any notice or other documentation sent to an Owner via certified mail is limited to the actual cost of the certified mail.

7. Repayment Plan. Any Owner who becomes delinquent in payment of assessments may enter into a repayment plan with the Association, which plan shall be for a minimum term of 18 months or such other longer term as may be approved by the Board of Directors.

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

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

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

In the event the Owner defaults or otherwise does not comply with the terms and conditions of the repayment plan, including the payment of ongoing assessments of the Association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

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

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

Colorado law. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

9. Application of Payments. Once an account is referred to the Association's attorney, all sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. The Association may prohibit the Owner from accessing any online payment portal until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any assessments owed, then to any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Policy.
10. Collection Process.
 - (a) After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the Management Company shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. This First Notice shall be sent by regular first class mail. This First Notice shall be considered a routine notice for the purposes of Section 39 of the Declarations.
 - (b) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Management Company shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment. The Association's notice, at a minimum shall include the following:
 - (i) The total amount due to the Association along with an accounting of how the total amount was determined.
 - (ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.

- (iii) A name and contact information for an individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.
 - (iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the Owner's right to vote if permitted in the Bylaws or Declaration.
 - (v) Specify whether the delinquency concerns unpaid assessments; unpaid fines, fees or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Owner that unpaid assessments may lead to foreclosure.
 - (vi) Include a description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's covenant violation cure process as laid out in the Association's Covenant and Rule Enforcement Policy.
 - (vii) Include a description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to Small Claims Court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the Declaration, Bylaws, Covenants, or other governing documents of the Association.
- (c) This Second Notice will be provided to the Owner or the Owner's designated contact in the following manners:
- (i) Certified mail, return receipt requested; and
 - (ii) By two of the following manners:

- i. Telephone call to a telephone number that the Association has on file because the Owner or the Owner's designated contact has provided the number to the Association. If the Association attempts to contact the Owner or designated contact by telephone but is unable to contact the Owner or the Owner's designated contact, the Association shall, if possible, leave a voice message for the Owner or the Owner's designated contact; or
 - ii. Text message to a cellular number that the Association has on file because the Owner or the Owner's designated contact has provided the cellular number to the Association; or
 - iii. Email to an email address that the Association has on file because the Owner or the Owner's designated contact has provided the email address to the Association.
- (d) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Management Company shall turn the account over to the Association's attorney for collection.

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

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

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

This monthly notice shall be sent by first-class mail. The monthly notice shall also be sent by email if the Association has an email address for the Owner. This monthly notice shall be considered a routine notice for the purposes of Section 39 of the Declarations.

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

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

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

11. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date (date payment due)	10 day of the month due
Past Due Date (date payment is late if not received on or before that date)	One day after due date
First Notice (notice that late charges and interest have accrued)	Any time after 30 days after due date
Second Notice	Any time after 60 days

(notice that late charges and interest have accrued, notice of intent to file lien, required disclosures of the Association and the availability of a payment plan if applicable)	after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after 90 days after due date

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

12. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon the Owner or designee's written request to the Association, made via first class postage prepaid, return receipt requested mail, a written statement from the Association, setting forth the amount of unpaid assessments currently levied against such Owner's property at no charge and delivered personally or by certified mail, first class-postage prepaid, return receipt requested. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

A status letter provided to a title company or mortgage company in anticipation of a sale of the property or a refinance of the mortgage provides additional information beyond a statement of the total amount due and as such any charges incurred by the Association for providing a status letter shall be charged back to the Owner.

13. 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 within the Association,

Management Company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

14. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with Management Company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:
- (a) Filing of a suit against the delinquent Owner for a money judgment;
 - (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
 - (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
 - (d) Filing a court action seeking appointment of a receiver.

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

15. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.
16. Judicial Foreclosure. The Association may choose to foreclose on its lien in addition to attempting to sue an Owner for a money judgment, subject to the provisions of Colorado law. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure. Such foreclosure

shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

The Association may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association.

The Association may not foreclose on an Owner's Unit if the debt securing the lien consists only of one or both of the following:

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

If a Unit has been foreclosed on by the Association, the Unit shall not be purchased by any of the following categories of persons or companies, who are currently or have been at any time during the 5 years prior to the foreclosure sale:

- (i) a member of the Board of Directors;
- (ii) an employee of the Association's management company representing the Association;
- (iii) an employee of the law firm representing the Association;
- (iv) an immediate family member of any of the foregoing individuals; or
- (v) the Association's management company.

- 17. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
- 18. Communication with Owners. As to any communication sent by the Association or the Management company on behalf of the Association pursuant to Paragraph 10 of this Policy, the Association or management company on their behalf, shall maintain a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

An Owner may identify another person to serve as a designated contact for the Owner to be contacted on the Owner's behalf. If the Owner identifies a designated contact, the Association shall send any collection correspondence and notices to both the Owner and their designated contact. However, once an Owner is sent to the attorney for collections, all communication will be directly with the Owner until or unless the Owner provides permission directly to the Association's attorney giving permission for the attorney to discuss with the designated contact.

An Owner may notify the Association if the Owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send the correspondence and notices in English. If the Owner has notified the Association of a preference other than English, any notices or letters sent pursuant to this Policy shall be sent both in English and in the preferred language.

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

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

19. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
20. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.
21. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

22. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
23. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
24. Amendment. This Policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Village Center Condominium Association, a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on July 25, 2024 and in witness thereof, the undersigned has subscribed their name.

**Village Center Condominium Association, a
Colorado nonprofit corporation**

By: 
Its: President

**POLICY OF VILLAGE CENTER CONDOMINIUM ASSOCIATION
REGARDING REGISTRATION OF
PHONE NUMBER AND EMAIL ADDRESS**

SUBJECT: Registration of phone number and email address pursuant to Colorado law.

PURPOSE: To provide a policy and procedure by which owners and their designated contacts, if applicable, are requested to register their phone number and email addresses for notification purposes pursuant to C.R.S. §38-33.3-209.5 of the Colorado Common Interest Ownership Act (the "Act")

AUTHORITY: The Declaration, Bylaws, Articles, and the Act.

EFFECTIVE DATE: August 7, 2024

RESOLUTION: The Association gives notice of its adoption of the following Policy and Procedure ("Policy") pursuant to which Owners and their designated contacts, if applicable, are requested to register their phone number and email address with the Association for notification purposes pursuant to the Act. The Policy is as follows:

1. Definitions. Unless otherwise defined below, capitalized terms shall have the meanings set forth in the Act and/or Declaration as applicable.
 - (a) "Owner" shall have the same meaning as in the Declaration.
 - (b) "Designated Contact" means a person that an Owner identifies to the Association to serve as a designated contact for the Owner to be contacted on the Owner's behalf for purposes of compliance with C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act.
 - (c) "E-Mail Address" means an electronic mail address.
 - (d) "Cellular Number" means a mobile number or cell phone number assigned to a mobile device that enables communication through cellular networks, including the ability to send and receive Text Messages.

- (e) "Text Message" means a written message sent from one cellular phone to another.
2. Compliance with the Act. As part of its procedures for collecting unpaid assessments, the Act requires the Association to contact the delinquent Owner or their Designated Contact, by two of the following means:
- (a) Telephone call to a telephone number that the Association has on file because the Owner or Designated Contact provided that number to the Association;
 - (b) Text Message to a Cellular Number that the Association has on file because the Owner or Designated Contact has provided the cellular number to the Association;
 - (c) E-Mail to an E-Mail Address that the Association has on file because the Owner or Designated Contact has provided the e-mail address to the Association.

In order for the Association to comply with the Act, the Association will need the Cellular Number, telephone number (if different from Cellular Number), and E-Mail Address of each Owner and their Designated Contact, if applicable.

3. Registration of Phone and Email Address. Each Owner and their Designated Contact, if applicable, are requested to register their Cellular Number, telephone number (if different from Cellular Number), and E-Mail Address with the Association using any reasonable registration method adopted by the Association.

All contacts intended to be made by the Association to comply with C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act, will be made using the registered Cellular Number, telephone number, and E-Mail Address provided by the Owner or their Designated Contact.

If the Association attempts to contact the Owner or their Designated Contact by telephone but is unable to do so, the Association shall, if possible, leave a voice message for the Owner or Designated Contact.

4. Update of Contact Information. It is the responsibility of the Owner and their Designated Contact, if applicable, to keep their Cellular Number, telephone number, and E-Mail Address current with the Association using the registration method adopted by the Association.

Further, should the Association receive a response indicating an invalid number, blocked recipient, disconnected phone, etc., the Association shall not be required to seek any new valid information from the Owner or their Designated Contact. In such case, the Owner acknowledges that the Association is unable to provide the notice required pursuant to C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Village Center Condominium Association, a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on July 25, 2024 and in witness thereof, the undersigned has subscribed their name.

**Village Center Condominium Association, a
Colorado nonprofit corporation**

By: 
Its: President

THIS SECTION LEFT BLANK INTENTIONALLY

II. Policy Regarding Conflicts of Interest Involving Board Members

1. As used herein, “conflicting interest transaction” means a contract, transaction or other financial relationship between the Association and a member of the Association’s Board of Directors (“Board”), 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 board member or officer or has a financial interest.

2. “Board member” means a member of the Association’s Board.

3. “Party Related to a Board member” means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant 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 or officer or has a financial interest.

4. No loans shall be made by the Association to its Board members or officers. Any Board member or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

5. A Board member must disclose to the Board a conflicting interest transaction, if one exists for that Board member. In the event a conflicting interest transaction exists, the Board member with the conflict of interest shall recuse himself or herself from discussing and voting on the issue.

6. Notwithstanding subsection 5 immediately above, no conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions solely because the conflicting interest transaction involved a Board member or a party related to a Board member or an entity in which a Board member is a director or officer or has a financial interest or solely because the Board member is present at or participates in the meeting of the Association’s Board that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Board member’s vote is counted for such purpose if:

a. The material facts as to the Board member’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board, and the Board in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Board members, even though the disinterested Board members are less than a quorum;

b. The material facts as to the Board member’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Board members entitled to vote thereon; or

c. The conflicting interest transaction is fair as to the Association.

7. Common or interested Board members may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves, or ratifies the conflicting interest transaction.

8. This Conflict of Interest Policy shall be reviewed periodically by the Board and updated as is required by the Board or Colorado law.

III. Conduct of Meetings Policy

1. All meetings of the Association's membership and Board of Directors shall be held in accordance with the requirements of C.R.S. §§ 38-33.3-308, 38-33.3-310, 7-127-101 through 108, 7-128-201 through 206, as the same are applicable to the Association.

2. Membership meetings shall be held at least once each year. Special meetings of the membership may be called by the President of the Association, by a majority of the Board, or by members collectively holding 20% of the votes in the Association. Notice of any meeting of the membership shall be given not less than 10 nor more than 50 days in advance of the meeting to all members by delivering or sending prepaid by U.S. mail to the mailing address of each member. The notice of any membership meeting shall be physically posted in a conspicuous place on the Association's property, if possible, in addition to mailing, and posted on the Association's website, if the Association maintains a website. Meeting notices shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Condominium Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

3. Meetings of the Board, or any committee thereof, shall be open to attendance by all members of the Association or their representatives. Agendas for meetings of the Board shall be made available for examination by Association members or their representatives upon request. Notwithstanding any contrary provision contained in the Association's Bylaws, at all meetings of the Board, after a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to the vote of the Board members, owners or their designated representatives present at such time shall be afforded an opportunity to speak on the motion. The President of the Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue.

4. Membership meetings where there are contested elections of Board members, defined as elections in which there are more candidates than positions to fill, shall be conducted by secret ballot. Each owner entitled to vote and be present at the meeting either in person or via proxy shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an owner holds a proxy for another owner, upon presentation of such proxy to the secretary of the Association, the owner shall receive a secret ballot to cast the vote of the owner who provided the proxy. The proxy shall be kept and retained by the Association.

5. In uncontested elections for Board positions, defined as elections in which the number of candidates is equal to or less than the positions to fill, votes taken at the meeting of the owners shall be taken in such method as determined by the Board, including but not limited to, acclamation by hand, by voice, or by ballot. Notwithstanding the foregoing, uncontested elections of Board positions or other votes on matters affecting the Association may occur by secret ballot at the discretion of the Board or upon the request of 20% of the owners who are present at the meeting or represented by proxy.

6. When secret ballots are used, written ballots shall be counted by a neutral third party, or a committee of volunteers who are not Board members, and in the case of a contested

election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the President of the Board or another person presiding during that portion of the meeting.

IV. Policy Regarding Enforcement of Covenants and Rules and Levying of Fines

1. Association's Legal Duty. The Association acknowledges that it has a duty to its membership to enforce the Condominium Declaration for Village Center Condominiums, Colorado law, the Association's Rules and Regulations, Bylaws, Responsible Governance Policies and any other policies adopted by the Association, all as the same may be amended or restated from time to time. It is the policy of the Association to enforce as written any provision of the Condominium Declaration, Colorado law, the Rules and Regulations, the Bylaws, the Responsible Governance Policies, and any other policies of the Association.

2. Investigation of Alleged Violations. If a violation of the Association's Condominium Declaration, Colorado law, Rules and Regulations, Bylaws, Responsible Governance Policies or any other policies of the Association occurs, or a violation is alleged to have occurred by any member of the Association and such potential violation is reported to the Board of Directors, the Board shall investigate the allegations to make a determination whether such violation or threatened violation has in fact occurred. In such investigation and subsequent enforcement, if undertaken, the Board shall act in good faith and shall not act arbitrarily or capriciously.

3. Enforcement – Board Discretion. The enforcement of the provisions of the Condominium Declaration, Colorado law, the Rules and Regulations, the Bylaws, the Responsible Governance Policies or any other policies of the Association shall be subject to the discretion of the Board as to the timing, manner, and method of pursuing such enforcement, but in no event shall the Association's fact-finding process to determine whether a violation has occurred take longer than 60 days from the date the Association first had notice of the alleged violation. Provided that its actions are reasonable, the Board may decline enforcement of questionable violations, enforce covenants by filing suit for injunctive relief or other remedies, or levy fines for violation of rules, policies, bylaws, or covenants after notice and an opportunity to be heard is given to the alleged violator. In exercising such discretion, the Board shall consider both the specific covenant or rule violation alleged, and the overall interests of the community and Association.

4. Hearing Before Impartial Decision-Maker(s). If an owner is determined to have violated the provisions of the Condominium Declaration, Colorado law, the Rules and Regulations, the Bylaws, the Responsible Governance Policies or any other policies of the Association, after notice and hearing to the alleged violator in front of an impartial decision maker, the Association may impose a fine for the violation in the amounts stated in the Association's Rules and Regulations, but in no event shall any violation incur a fine of more than \$500. "Impartial decision maker" means a person or group of persons who have the authority to make decisions regarding the enforcement of the Association's Condominium Declaration, Colorado law, the Rules and Regulations, the Bylaws, the Responsible Governance Policies or any other policies 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.

5. Owner Not Responsible for Alleged Violation. If, as a result of the fact-finding process described in this Policy, it is determined that the unit owner should not be held responsible for the alleged violation, the Association shall not allocate to the unit owner's account any of the Association's costs or attorney fees incurred in asserting or hearing the claim. Notwithstanding any provision in the Condominium Declaration, Bylaws, Rules and Regulations, or these Responsible Governance Policies to the contrary, an owner shall not be deemed to have consented to pay such costs or fees.

6. Violating Owner Responsible for Association Attorney Fees and Costs. It is the intent of the Board that once a violation of the provisions of the Condominium Declaration, Colorado law, the Rules and Regulations, the Bylaws, the Responsible Governance Policies or any other policies of the Association has been determined by the Board to have occurred, any expenses, costs, and legal fees incurred by the Association shall be assessed against the violating owner in the same manner as a regular assessment.

7. Violations that Threaten Public Safety or Health. With respect to any violation of the Condominium Declaration, Colorado law, the Rules and Regulations, the Bylaws, the Responsible Governance Policies or any other policies of the Association that the Association reasonably determines threatens the public safety or health, the following procedures shall apply:

a. The Association shall provide the unit owner with written notice via certified mail, return-receipt requested, in English and in any language that the unit owner has indicated a preference for correspondence and notices pursuant to Section 8 of the Association's Collection Policy above, of the nature of the violation, the action or actions required to cure the violation, and that the unit owner has seventy-two hours to cure the violation, or the Association may fine the unit owner.

b. If, after an inspection of the unit, the Association determines that the unit owner has not cured the violation within seventy-two hours after receiving the notice, the Association may impose fines on the unit owner every other day and may take legal action against the unit owner for the violation; except that, in accordance with C.R.S. 38-33.3-209.5(8)(c)(I), the Association may not pursue foreclosure against the unit owner solely based on fines owed.

8. Violations that Do Not Threaten Public Safety or Health. If the Association reasonably determines that a unit owner committed a violation of the Condominium Declaration, Colorado law, the Rules and Regulations, the Bylaws, the Responsible Governance Policies or any other policies of the Association, other than a violation that threatens the public safety or health, the Association shall:

a. Provide the unit owner with written notice via certified mail, return-receipt requested, in English and in any language that the unit owner has indicated a preference for correspondence and notices pursuant to Section 8 of the Association's Collection Policy above,

of the violation informing the unit owner that the unit owner has thirty (30) days to cure the violation or the Association, after conducting an inspection and determining that the unit owner has not cured the violation, may fine the unit owner; however, the total amount of fines imposed for any violation may not exceed five hundred dollars (\$500.00), even if said violation is continuing in nature.

b. A unit owner shall have two consecutive thirty-day periods to cure a violation before the Association may take legal action against the unit owner for the violation. In accordance with C.R.S. 38-33.3-209.5(8)(c)(I), the Association may not pursue foreclosure against the unit owner solely based on fines owed.

c. If the unit owner cures the violation within the period to cure afforded the unit owner, the unit owner may notify the Association of the cure and, if the unit owner sends visual evidence with the notice that the violation has been cured, the violation is deemed cured on the date that the unit owner sends the notice. If the unit owner's notice does not include visual evidence that the violation has been cured, the Association shall inspect the unit as soon as practicable to determine if the violation has been cured.

d. If the Association does not receive notice from the unit owner that the violation has been cured, the Association shall inspect the unit within seven (7) days after the expiration of the thirty-day cure period to determine if the violation has been cured. If, after the inspection, and whether or not the Association received notice from the unit owner that the violation was cured, the Association determines that the violation has not been cured:

i. A second thirty-day period to cure commences if only one thirty-day period to cure has elapsed; or

ii. The Association may take legal action against the unit owner if two thirty-day periods to cure have elapsed.

9. Violation Cured by Unit Owner. Once a unit owner cures a violation, the Association shall notify the unit owner, in English and in any language that the unit owner has indicated a preference for correspondence and notices pursuant to Section 8 of the Association's Collection Policy above, of the following:

a. The unit owner will not be further fined with regard to the violation; and

b. The amount of any outstanding fine balance that the unit owner still owes the Association.

10. Continuing Violations. For violations that are continuing in nature, the Association may levy a fine or fines as stated in the Association's Rules and Regulations, but the total cap on said fines for any one continuing violation is \$500.

11. Notice of Fines. On a monthly basis by first-class mail and, if the Association has the subject unit owner's e-mail address, by e-mail, the Association shall send to each unit owner

who has any outstanding balance owed to the Association an itemized list of all assessments, fines, fees, and charges that the unit owner owes to the Association. The Association shall send the itemized list to the unit owner in English or in any language for which the unit owner has indicated a preference for correspondence and notices pursuant to Section 8 of the Association's Collection Policy and to any designated contact for the unit owner.

V. Inspection and Copying of Association Records Policy

1. The Association shall keep as permanent records minutes of all meetings of the membership and Board of Directors ("Board"), a record of all actions taken by the owners or Board by written ballot or written consent in lieu of a meeting, and a record of all waivers of notices of meetings of members and of the Board. The Association's manager or the Board shall maintain a record of members in a form that permits preparation of a list of the names and addresses of all such members, showing the number of votes each member is entitled to. The Association shall maintain such records in written form or in another form capable of conversion into written form within a reasonable time.

2. All financial and other records shall be made reasonably available for examination and copying by any Association member and such member's authorized agents. The Association may charge a fee, which may be collected in advance, not to exceed the Association's actual cost per page, for copies of Association records. As used herein, "reasonably available" means available during normal business hours, upon advance notice of five (5) business days, or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request, to the extent that:

- a. The request is made in good faith and for a proper purpose;
- b. The request describes with reasonable particularity the records sought and the purpose of the request; and
- c. The records are relevant to the purpose of the request.

3. In addition to the records mentioned above, the Association shall keep a copy of each of the following records at its principal office:

- a. Its articles of incorporation, condominium declaration, bylaws, rules and regulations, responsible governance policies, and any other policies adopted by the Board;
- b. The minutes of all membership meetings;
- c. Records of all actions taken by the Board without a meeting, if any, for the past three (3) years;
- d. All written communications within the past three (3) years to Association members generally;

- e. A list of the names, business or home addresses and email addresses of the current Board members;
- f. The most recent annual report filed with the Colorado Secretary of State, if any;
- g. The Association's most recent reserve study, if any;
- h. Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two (2) years;
- i. Ballots, proxies, and other records related to unit owner votes for one (1) year after the election, action, or vote to which they relate;
- j. Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of members; and
- k. All financial audits or reviews conducted during the immediately preceding three (3) years.

4. Notwithstanding anything contained herein to the contrary, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as an Association owner without the consent of the Board. A membership list or any part thereof may not be used to solicit money or property unless such money or property will be used solely to solicit the votes of members in an election to be held by the Association, and may not be used for any commercial purpose, or sold to or purchased by any person.

VI. Investment of Reserve Fund Policy

With respect to the investment of reserve funds of the Association, the officers and members of the Association's Board of Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in like position would exercise under similar circumstances, and in a manner the Board member reasonably believes to be in the best interests of the Association and in accordance with Colorado law.

VII. Procedures for the Adoption and Amendment of Association Policies, Procedures, and Rules and Regulations

- 1. All policies, procedures, bylaws, and rules and regulations of the Association shall be set forth in written documents properly adopted by the Association's Board of Directors.
- 2. Amendments to any policies, procedures, bylaws, or rules and regulations may be made by the Board at any time and from time to time as the Board, in its discretion, deems advisable or appropriate, in accordance with the Association's responsible governance policies, bylaws and Colorado law. Any amendment shall be set forth in a written instrument properly adopted by the Board.

3. To the extent practicable, the Association shall endeavor to adopt and disseminate to its membership written policies, procedures, bylaws, and rules and regulations so that members will be informed of their rights and obligations in the Association and the process of Association governance by the Board. Additionally, it is the policy of the Association that, to the extent practicable, policies, procedures, bylaws, and rules and regulations be consistently and uniformly followed and enforced.

4. New or amended policies, procedures, bylaws, and rules and regulations shall be adopted by the Board as the interests of the Association dictate.

VIII. Procedures for Addressing Disputes between the Association and Unit Owners

1. In the event of any dispute involving the Association and a unit owner, the unit owner is invited and encouraged to meet with the Association's Board of Directors to resolve the dispute informally and without the need for formal legal action. If the unit owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the owner's request.

2. Nothing herein shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Depending on the nature of the dispute, the Board shall consider whether mediation may be appropriate in the circumstances before proceeding to litigation. Neither the Association nor the owner waives any right to pursue whatever legal or other remedial action that may be available to either party.

IX. Reserve Study Procedure

When the Association has a reserve study prepared for the portions of the community maintained, repaired, replaced, and improved by the Association, the Association shall consider whether there is a funding plan for any work recommended by the reserve study and, if so, the projected sources of funding for the work; and whether the reserve study is based on a physical analysis and financial analysis. For the purposes of this Article IX, an internally conducted reserve study is sufficient.

[END OF SUBSTANTIVE POLICIES – CERTIFICATION AND SIGNATURE PAGE FOLLOW]

CERTIFICATION

The undersigned, President of Village Center Condominium Association, hereby certifies that the foregoing Responsible Governance Policies were considered and adopted by the Board of Directors of the Village Center Condominium Association at a duly called and held meeting of the Board of Directors on December 6, 2022.

**VILLAGE CENTER CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation**

By: DocuSigned by:
BILL MACFARLANE
Bill MacFarlane, President