THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC. POLICY REGARDING THE ADOPTION AND AMENDMENT OF POLICIES AND RULES

The purpose of this Policy is to provide notice of the Association's authority to adopt and amend Rules to facilitate the efficient operation of the Association.

This Policy is in compliance with Colorado Revised Statutes §38-33.3-209.5, the Declaration of Covenants, Conditions and Restrictions of The Villas at Sunrise Creek (the "Declaration") and the Articles of Incorporation and Bylaws of the Association.

ADOPTION AND AMENDMENT OF RULES POLICY

1. The Board of Directors, in accordance with the Declaration and the Association's Bylaws, and Colorado Revised Statute §38-33.3-302(1)(a), has the authority to create, adopt, amend and repeal policies, procedures, rules and regulations (hereinafter collectively called "Rules") as may be required to facilitate the efficient operation of the Association and to carry out the directives of the Association's governing documents.

2. The Board shall only adopt or amend Rules in open meetings. At the meeting where the Board intends to adopt or amend a Rule, at an appropriate time determined by the Board, but before the Board votes on the adoption or amendment of the Rule, Member/Owners shall have an opportunity to speak regarding the proposed Rule in accordance with the Association's Conduct of Meetings Policy.

3. Once adopted, amended, or repealed, the Board shall publish the newly adopted or amended Rule change by any reasonable means available, which may include by mail, e-mail, newsletter, website, or personal delivery. The Rule change, along with all other Rules of the Association, shall be available for copy and review in accordance with the Association's Records Inspection Policy.

4. All Rules of the Association apply to all Lots and Member/Owners and, without expressly stating so, to each Member/Owner's guest, tenants or other permittees, as well as the Association. Each Member/Owner shall be held responsible for any violation of these Rules by its guests, tenants or other permittees.

5. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

The undersigned, being President of The Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By: _____
_____, President

THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY REGARDING BOARD MEMBER CONFLICT OF INTEREST

The purpose of this Policy is to adopt a procedure to follow when a Board member has a conflict of interest.

This Policy is in compliance with Colorado Revised Statutes §38-33.3-209.5, the Declaration of Covenants, Conditions and Restrictions of The Villas at Sunrise Creek (the "Declaration") and the Articles of Incorporation and Bylaws of the Association.

BOARD MEMBER CONFLICT OF INTEREST POLICY

1. A conflict of interest applies to board members and is defined as:

a. When a board member is employed by a contractor or company providing paid services for the association.

b. When an issue comes before the board in which a board member has a direct interest.

c. Any "Conflicting Interest Transaction" as that term is defined in C.R.S., §7-128-501.

2. When a potential conflict of interest exists or may exist, the board member with the potential conflict has the obligation to disclose it to the board in writing, detailing the reason for the potential conflict of interest. If the board senses an unreported potential conflict of interest, the board shall raise the issue with the member to determine if a conflict does exist. In any case, the board will determine if there is a conflict of interest and if one exists, how it will be handled as set out below:

a. In the case of employment by a contractor on a project being done for the association, a board member who has the opportunity to work short term for a contractor on a defined project may ask for board approval to take a leave of absence from the board until such employment is completed to prevent any suggestion of conflict. This would have to be included with the notification to the board of the potential conflict and dealt with and approved by the board. Upon completion of such employment, the board will determine whether a conflict of interest still exists and if it does not, shall reinstate the board member to full board status.

b. In the case of potential conflict of interest resulting from an issue in which a board member has a direct interest, the disinterested directors will determine if a conflict of interest exists and if so, will direct the board member to recuse herself from voting on issues in which he/she has a direct interest. The board member has the right as an owner to enter into a discussion of the issue.

c. If the board member with a conflict of interest is unwilling to take a leave of absence or recuse himself as set out above, upon the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum, the board shall suspend said member from voting on said issue until the conflict is resolved.

3. 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 in a proceeding by a member of the Association, solely because the conflicting interest transaction involves a director of the Association, or a party related to such director solely because the director is present at or participates in the meeting of the board that authorizes, approves

or ratifies the conflicting interest transaction or solely because the director's vote is counted for such purpose if :

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

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

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

4. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

The undersigned, being President of The Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By: _____
_____, President

POLICY OF THE VILLAS AT SUNRISE CREEK HOMEOWNERS' 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 Revised Statues, as amended

EFFECTIVE DATE: August 7, 2024

RESOLUTION: The Association hereby adopts the following policy:

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 invoiced on January 1 of each year and shall be due and payable January 31 of each year, unless a monthly payment plan is chosen. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 30 days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.

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 a $30.00 late charge for each Owner who fails to timely pay any assessment within 30 days of the due date. 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 annual installment of the any assessment within 31 days of the due date.

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 the Owner. Any returned check shall cause an account to be past due if full payment of any assessment is not timely made within 30 days of the due date.

6. 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.

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

8. 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.

9. 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 Certified Mail, return receipt requested, and the mailing cost shall be charged to the Owner.

(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) The 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 in the following manners:

(i) Certified Mail, return receipt requested; andBy one of the following manners:

i. Text message to a cellular number that the Association has on file because the Owner has provided the cellular number to the Association; or

ii. Email to an email address that the Association has on file because the Owner 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, not to exceed $5,000 or 50% of the balance owed; except that the court may award attorney fees in excess of these limits if the court finds that the unit owner was able to comply but willfully failed to comply, 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 Certified Mail, return receipt requested. The monthly notice shall also be sent by email if the Association has an email address for the Owner.

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.

10. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such an

acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

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

Due Date (date payment due)	January 1 of each year 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 (notice that late	Any time after 60 days after due date
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)	
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 a 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 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 by 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 rent according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.

16. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. 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 a member of the Board of Directors, an employee of the Association's management company representing the Association, an employee of the law firm representing the Association, or an immediate family member of any of these individuals.

17. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and lines, 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 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 as the 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, 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 to 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, and within Colorado State laws.

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 The Villas at Sunrise Creek Homeowners' Association, a Colorado nonprofit corporation, certifies that 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 _____and in witness thereof, the undersigned has subscribed their name.

The Villas at Sunrise Creek Homeowners' Association, a Colorado nonprofit corporation

By: _____
Its: President

THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY REGARDING THE CONDUCT OF ASSOCIATION MEETINGS

The purpose of this Policy is the adoption of rules and procedures to facilitate the efficient operation of conducting meetings of the Association.

This Policy is in compliance with Colorado Revised Statutes §38-33.3-209.5, §38-33.3-308, the Declaration of Covenants, Conditions and Restrictions of The Villas at Sunrise Creek (the "Declaration") and the Articles of Incorporation and Bylaws of the Association.

CONDUCT OF MEETINGS POLICY

1. All meetings of the Association, including Annual and special meetings of Members and regular and special Board of Directors' meetings, are open to every Owner and any person designated by an Owner in writing as the Owner's representative. Members, or designated representative, shall be permitted to attend, listen, and speak at an appropriate time during the meetings subject to the remaining provisions of this Policy.

2. A Board meeting shall be defined as a planned meeting of all members of the Board that is intended to administer the affairs of the Association and is attended by a quorum of the Board.

3. Notice for any Special meeting of the Board shall be e-mailed to Owners in accordance with the time limits as set out in the Association Bylaws, announcing: 1) the date of the meeting, 2) the starting time, 3) the reason for calling a special meeting, and 4) any documentation or information an Owner needs to help understand the topic of discussion.

5. Notice of the Annual meeting of Owners shall be mailed to all Owners within the time limits as set out in the Association Bylaws, announcing: 1) The date, time, and place of the meeting, 2) a tentative meeting agenda, 3) blank proxy and ballot forms, 4) minutes of the previous annual meeting, 5) financial statements from the previous year, 6) description of any proposed resolutions. Minutes of all meetings shall be sent to all Owners by e-mail within a reasonable time after final approval from the Board. In addition, notice of the Annual Meeting will, to the extent feasible, be physically posted in a conspicuous place and e-mailed to all Owners.

6. The Board may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the board, provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of Colorado law. The matters to be discussed at such an executive session are limited to:

a. Matters pertaining to employees of the Association's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association.
b. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client.
c. Review of or discussion relating to any written or oral communication from legal counsel.
d. Investigative proceedings concerning possible or actual criminal misconduct.
e. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure.

f. Any other matter of which disclosure would constitute an unwarranted invasion of individual privacy.

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

7. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

The undersigned, being President of The Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By: _____
_____, President

THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY REGARDING THE ENFORCEMENT OF RESTRICTIVE COVENANTS AND RULES AND REGULATIONS

All Member/Owners of Lots within the Villas at Sunrise Creek (the "Subdivision") are bound by the provisions of , the Declaration of Covenants, Conditions and Restrictions of the Villas at Sunrise Creek (the "Declaration"). In addition, all Member/Owners of Lots are bound by the provisions of the Articles of Incorporation and Bylaws of The Villas at Sunrise Creek Homeowners Association, Inc. (the "Association") and the Rules and Regulations adopted by the Association. This Policy is adopted pursuant to the authority granted to the Association by the Declaration, Articles and Bylaws and pursuant to the authority granted by Colorado Revised Statutes §38-33.3- 302(1)(a) and §38-33.3-209.5.

To the extent that the Declaration, Articles, Bylaws, or the Rules and Regulations (collectively called the "Rules") are in conflict, the provisions of the Declaration shall first control, followed by the Articles, Bylaws and Rules and Regulations, in that order. In other words, a violation of the Declaration, Articles or Bylaws or the failure to comply with an order of the Board of Directors of the Association (the "Board") shall be deemed to be a violation of this Policy and subject to the enforcement provisions contained herein.

These Rules are binding on all Member/Owners of Lots, residents, tenants, and their families and guests. All references in this Policy to Member/Owners of Lots, residents and tenants are interchangeable and each shall be jointly and severally liable and responsible for actions or violations.

ENFORCEMENT OF COVENANT AND RULES POLICY

1. Without limiting or otherwise affecting any remedy found in the Declaration, Articles and Bylaws, a complaint which alleges a violation of the Rules may be initiated by any Member/Owner or the Board.

2. Any complaint hereunder which alleges a violation of the Rules shall be made in writing to the Board or its duly authorized agent. No oral complaints will be accepted. Complaints should be made as soon as possible after the alleged violation has occurred. The complaint shall, at a minimum, include the following:

(a) The name, address and telephone number of the complainant.

(b) The Member/Owner's/Resident's name and Lot number or the address of the Lot against whom the complaint is being filed.

(c) The specific details or description of the alleged violation, including the date, time and location of the alleged violation.

(d) If possible, photographs showing the alleged violation.

(e) The signature of the complainant and the date on which the complaint is made.

3. After receipt of a complaint hereunder, the Board or its designee shall review the allegations of the complaint. If permitted by the alleged offending Member/Owner, the Board or its designee shall conduct a walk-through of the subject Lot and determine whether the complaint states a valid complaint, without making a determination as to ultimate merits of the complaint.

4. The filing of a false complaint or complaints under these Rules or the repeated filing of frivolous complaints shall be deemed a violation of these Rules and subject to the enforcement provisions contained in them. The use of these Rules in a manner deemed to be harassment of other Member/Owners or Residents shall also be deemed a violation of these Rules and subject to the enforcement provisions contained herein.

5. Harassment of, or retaliation against any complainant by the alleged violator or any person associated with the alleged violator shall be deemed a violation of these Rules and subject to the enforcement provisions contained herein.

6. The Member/Owner is ultimately liable for any violation of Rules committed by a resident, guest, tenant, service person or other Person or animal associated with the Lot.

7. Upon receipt of a complaint deemed valid by the Board or its duly authorized agent, the Board will notify the Member/Owner/Resident of the violation by letter at the address of the Member/Owner as reflected on the records of the Association.

8. The notice of violation will include the following:

(a) copy of the written complaint or otherwise specific details of the alleged violation as deemed appropriate by the Board.

(b) information on any applicable fine or other charge that may be levied and the date by which the levied fine or charge must be paid if no hearing is requested.

(c) if relevant, the notice of violation will set a date by which the violation must be remedied.

(d) include information on how the alleged violator may request a hearing before the Board concerning the violation and/or charge or fine.

(e) that this hearing shall consist of impartial decision makers, as that term is defined in C.R.S. §38-33.3-209.5(2)(b)(II).

(f) contain the last date by which a request for hearing must be received by the Board.

This date will be no less than ten (10) days from the date the notice is mailed by certified mail, return receipt requested, or hand delivered, whichever occurs first.

9. Except as otherwise provided in this Policy, the following schedule of fines will apply to violations of any Rule or a direct order of the Board:

a. If the Lot Member/Owner fails to request a hearing as provided in Sections 8(d)(e)(f) above, the Board will issue a written directive to the offending Member/Owner either to remedy the violation or to submit a plan and proposed timeline for remediation of the violation, which may be considered and approved by the Board in its reasonable discretion, within thirty (30) days after notice of violation is received. Failure to remedy the violation or to submit and thereafter comply with and complete an approved plan for remediation in accordance with the written directive will subject the offending Member/Owner to a fine of $100.00 per day for each and every day that the violation is not remedied, said fines to commence on the thirty-first (31st) day after the date of the notice of violation or upon the Board's determination that the Member/Owner has failed to comply with and complete an approved plan for remediation, whichever occurs last. The Association may also institute litigation to obtain an injunction or other order to prevent future violations.

10. In addition to any fine assessed, the Lot Member/Owner will be responsible for any costs or expenses associated with the violation, including, but not limited to repair of damaged property and any attorney's fees or other fee incurred by the Association which may be associated with the violation or collection of the fine, costs or expenses.

11. Fines and assessments for costs, expenses and damages associated with the violation will be assessed to the Lot Member/Owner as part of his annual assessment. Pursuant to C.R.S., 38-33.3-316, the Association shall have a statutory lien on a Unit for any unpaid fines, costs, expenses and damages imposed against a Lot Member/Owner hereunder, which may be collected in any manner as permitted as law.

12. Within the time limits as provided in Section 8(f) above, Member/Owner may request a hearing before the Board at the next scheduled meeting or at any meeting set by the Board for such purpose.

13. As a part of the Notice of Violation, a date is specified by which a hearing must be requested. The Member/Owner/Resident must prepare a request for a hearing and mail the request to the Association in sufficient time to arrive no later than the last date stipulated in the Notice of Violation.

13. Upon timely receipt of the request for a hearing, the President of the Association or his designee will schedule a hearing before the Board at the next regularly scheduled Board meeting or a special meeting called for such purpose. The goal in scheduling of the hearing shall be to promptly resolve all complaints provided that reasonable notice of the hearing can be given to the alleged violator and complainant.

14. Once the President has determined when the hearing will be conducted, the Association or its duly authorized agent will notify the alleged violator and the complainant of the date, time and place of the meeting during which the hearing will be conducted. Unless expressly requested by both the alleged violator and the complainant, the hearing will be conducted in "Executive Session" at the regular or special meeting of the Board.

15. At the hearing, the Board will hear and consider arguments, evidence, or statements regarding the alleged violation and any defense thereof. The complainant will be required to provide evidence and/or testimony related to the violation. Following the hearing and due consideration, the Board will issue its determination regarding the alleged violation. The decision of the Board will be binding on the alleged violator and complainant.

16. Any fine or costs, expenses and damages associated with the violation that may be levied for which a hearing has been requested will not become due until the Board has held a hearing and determined whether a violation has occurred and whether a fine or such costs, expenses and damages shall be levied or assessed. However, the request for a hearing shall be without prejudice to other legal or equitable remedies that may be pursued by the Board during this time, pursuant to Colorado state law, the Declaration, Articles and the Bylaws. Generally, the Board will make its determination immediately following the hearing and advise the alleged violator and the complainant of its decision at that time. However, if additional information or an opinion from the Association's attorney is needed by the Board, the determination will be made at a later date and the alleged violator and complainant will be notified of the determination at a later date in writing.

17. If no request for a hearing is filed within the prescribed period of time, the right to a hearing will be deemed waived and the allegations contained in the Notice of Violation will be deemed admitted and any prescribed remedy will be instituted.

18. Failure of an alleged violator to attend a requested hearing without an advance request to continue the hearing date for good cause will be deemed a waiver of the right to a hearing and the allegations contained in the Notice of Violation will be deemed admitted and any prescribed remedy will be instituted.

19. Failure of the complainant to attend a requested hearing without an advance request to continue the hearing date for good cause will be deemed a withdrawal of the Complaint and dismissal of the hearing.

20. If any clause, phrase, provisions or portion of this Policy or the application of them to any person or circumstance shall be held to be invalid under applicable law, such event shall not affect, impair or render invalid or enforceable the remainder of this Policy nor any other clause, phrase, provision, or portion hereof,

nor shall it affect the application of any clause, phrase, provision or portion hereof to other permitted persons or circumstances.

21. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

The undersigned, being President of The Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By: _____
_____, President

THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY REGARDING DISPUTES BETWEEN THE ASSOCIATION AND OWNERS

The purpose of this Policy is to provide an efficient means of resolving disputes between the Association and Owners, preferably through the use of Alternative Dispute Resolution means.

This Policy is in compliance with Colorado Revised Statutes §38-33.3-209.5, the Declaration of Covenants, Conditions and Restrictions of The Villas at Sunrise Creek (the "Declaration") and the Articles of Incorporation and Bylaws of the Association.

DISPUTE RESOLUTION POLICY

1. Underlying many disputes is the need for both the Association and the Owners to truly be heard, treated fairly and with respect, and be recognized as having valuable input. Agreement by both parties that these 'needs', as well as the Association's Responsible Governance Policies, is the basis for meaningful discussions that end with a win-win solution for both parties.

2. In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board of Directors at a regularly scheduled Board Meeting to resolve the dispute informally by good faith negotiation and without need for litigation. Before meeting with the Board, the Owner shall submit in writing to the Board a letter setting out the dispute containing the specific details and/or description of the dispute. The letter shall also contain the name, address and telephone number of the owner(s). Commencing after the Board has received the Owner's written letter setting out the details of the dispute, the parties will attempt to resolve the dispute for thirty (30) days, or for such longer period as the parties may agree. Through good-faith negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. If the parties are not successful in resolving the dispute through negotiation, the Owner may submit the dispute to mediation within thirty (30) days from the end of the negotiation period. Mediation will be completed using a trained independent mediator familiar with the governance of common interest communities acceptable to both parties. If the Owner does not submit his/her dispute to mediation within the time provided, or does not appear for the mediation, the Owner will be deemed to have waived the dispute and the Board will be released and discharged from any and all liability arising out of the dispute. If a mutually acceptable resolution is reached as a result of negotiation or mediation, it will be documented in writing and signed by both parties.

3. If a mutually acceptable resolution is not reached, the parties may pursue other options as they may mutually agree upon or they may independently move the matter to a more formal process, including, but not limited to, arbitration or litigation. The provisions of this policy shall be in addition to and in supplement to the terms and provisions of the Declaration, Articles of Incorporation and Bylaws, as well as the laws of the State of Colorado governing the subdivision.

4. The Owner will bear any attendant expenses including, but not limited to, costs of copying and mailing, provided, however, if the parties utilize mediation, they shall split equally the costs of mediation, with each party bearing the cost of their own attorney's fees. In the event that an Owner fails to pay his/her share of the cost, the unpaid amount will be considered an assessment against that Owner's unit, and may be collected as provided in the Association policies, procedures, rules and regulations, and applicable Colorado law.

5. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

6. Nothing in this policy shall be considered as a prerequisite or condition precedent to litigation.

The undersigned, being President of The Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By: _____
_____, President

THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY REGARDING INSPECTION & COPYING OF ASSOCIATION RECORDS

The purpose of this Policy is to provide a standard procedure regarding a Member/Owner's right to inspect and copy Association records.

This Policy is in compliance with Colorado Revised Statutes §38-33.3-209.5, the Declaration of Covenants, Conditions and Restrictions of The Villas at Sunrise Creek (the "Declaration") and the Articles of Incorporation and Bylaws of the Association.

RECORDS INSPECTION POLICY

1. Subject to sections 5, 6 and 7 below, Association records shall be made available to Member/Owners (or a Member/Owner's authorized agent provided written proof that the Member/Owner has actually designated that individual as their authorized agent) for inspection and copying. The Member/Owner must submit a written request for records which reasonably describes the records they are seeking to inspect and/or copy at least ten (10) days prior to the inspection or production of the records. The Association may provide copies via e-mail, photocopy or scan.

2. The Association may impose a reasonable charge to the Member/Owner, which may be collected in advance, and which may cover the costs of labor associated with assembling, producing records for inspection and copying the records. The charge may not exceed the estimated cost of production and reproduction of the records.

3. At the discretion of the Association, certain records may only be inspected in the presence of a Board member. No original records may be removed without the express written consent of the Board.

4. The Association shall maintain a copy of each of the following records which are available for Member/Owner inspection and/or copying:

a. The Articles of Incorporation, Protective Covenants, Bylaws of the Association.
b. All Resolutions, Responsible Governance Policies, and other policies adopted by the Board.
c. Minutes of all Board meetings and all annual meetings.
d. A record of all actions taken by the Member/Owners or Board without a meeting.
e. A record of all actions taken by any committee of the Board.
f. Written communications among, and votes cast by, Board members that are directly related to an action taken by the Board without a meeting pursuant to the Association's bylaws.
g. All written communications within the past three years sent to and from all Member/Owners.
h. A list of the names, email addresses & physical mailing addresses of the current Board members.
i. A list of the names of all Member/Owners & the physical mailing addresses at which the Association communicates with them, showing the number of votes each Member/Owner is entitled to cast.
j. Ballots, proxies & other records related to voting by Member/Owners for one year after the election, action or vote.
k. Financial statements.

l. Detailed records of receipts & expenditures affecting the operation & administration of the Association.
m. Financial records sufficiently detailed to enable the Association to provide an Member/Owner with a written statement stating the amount of unpaid assessments currently levied against the Member/Owner.
n. Tax returns of the Association for the past seven years.
o. All financial audits.
p. The most recent Annual Report delivered to the Secretary of State.
q. The Association's most current reserve study.
r. Records the Association is required to disclose within ninety days of the end of the fiscal year as required by statute.
s. Current written contracts to which the Association is a party and contracts for work performed within the past two years.

5. Records on file that will not be made available for copying or inspection without the written consent of the Board:

a. Contracts, leases, bids or records related to transactions to purchase or provide goods or services that are currently in or under negotiations.
b. Communications with legal counsel that are otherwise protected by attorney-client privilege or the attorney work product doctrine.
c. Disclosure of information in violation of the law.
d. Records of an executive session of the Board. Minutes of meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.
e. Records relating to or concerning individual Lots other than those of the requesting Member/Owner.

6. The Association shall in all instances withhold and not disclose any records that concern or contain:

a. Personnel, salary, or medical records relating to specific individuals.
b. Personal identification & account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

7. A membership list, or any part of that list, may not be:

a. Obtained or used by any person for any purpose unrelated to an Member/Owner's interest as a Lot Member/Owner.
b. Used to solicit money or property from Member/Owners unless that money or property is used solely to solicit the votes of the Lot Member/Owner in an election to be held by the Association.
c. Used for any commercial purpose.
d. Sold to or purchased by any person.
e. Given by an Member/Owner to any person who is not an Member/Owner.

8. The following is a general checklist for how long the Association records should be kept. This checklist does not cover all records or situations:

a. Permanent Records: All Governing Documents; Minutes of all Board and Membership meetings.

b. Seven Years: all Financial Records; Tax Returns; Insurance Records; Expired Contracts; Personnel Records (payroll records and employee records after termination).

c. Three Years: General Correspondence; Written Communications sent to and from all Member/Owners; Newsletters.

d. One Year: Ballots, Proxies and other records related to voting by Member/Owners.

9. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

The undersigned, being President of Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By: _____
_____, President

THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY REGARDING RESERVE ANALYSIS AND INVESTMENT

The purpose of this Policy is to provide for an analysis and investment plan for the Association's reserve funds.

This Policy is in compliance with Colorado Revised Statutes §38-33.3-209.5, the Declaration of Covenants, Conditions and Restrictions of The Villas at Sunrise Creek (the "Declaration") and the Articles of Incorporation and Bylaws of the Association.

RESERVE POLICY

1. Each year, prior to the preparation of the annual budget, the Board shall perform an internally conducted Reserve Analysis to estimate the funds that shall be needed over the ensuing five-year period (at a minimum) for major repair and replacement of common infrastructure which the Association is responsible for maintaining, repairing and replacing. The Reserve Analysis shall include a recommendation for the level of funding of reserves for the next fiscal year, taking into account the level of reserve accumulated to date and the anticipated funding needs. This Reserve Analysis need not include routine maintenance and upkeep, items which shall be included in the Association's annual budget.

2. The Board shall use its reasonable business judgment in determining how to invest money on deposit in any Reserve Fund account. Factors that the Board shall consider when making an investment decision include safety of funds, interest rate, and liquidity.

4. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

The undersigned, being President of The Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By: _____
_____, President