

**RESOLUTION OF THE BOARD OF DIRECTORS
ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC
ADOPTING PROCEDURES FOR THE CONDUCT OF MEETINGS**

SUBJECT: Adoption of policies and procedures for conducting Owner and Board of Director meetings ("Policy").

PURPOSE: To facilitate the efficient operation of Owner and Board of Directors meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the community.

AUTHORITY: The Declaration of Covenants, Conditions and Restrictions For Elements at Edgemont Highlands Townhomes (the "Declaration"), Articles of Incorporation (the "Articles"), Bylaws (the "Bylaws"), and Rules and Regulations (the "Rules") (collectively "Governing Documents") of the Elements at Edgemont Highlands Townhomes Association, Inc. (the "Association"), and the Colorado Common Interest Ownership Act as set forth at CRS 38-33.3-101, et seq. (the "Act").

EFFECTIVE DATE: February 26, 2014

RESOLUTION: The Association adopts the following Policy regarding the conduct of meetings:

1. **Meetings.** Meetings of the Association shall be called pursuant to Article 3 of the Bylaws.

(a) **Notice.**

(i) In addition to any notice required in the Declaration or Bylaws, notice of any meeting of the Owners to the extent feasible and practical, be conspicuously posted near the entrance of the community at least three days prior to such meeting, or as may otherwise be required by Colorado law.

(ii) The Association may also post notice on its website, if the Association has a website, of all meetings.

(iii) If any Owner has requested that the Association provide notice via email and has provided the Association with a valid email address, the Association shall send notice of all Owner meetings to such Owner at the email address provided as soon as possible after notice is provided pursuant to the Bylaws but in no case less than twenty-four (24) hours prior to any such meeting.

(b) **Conduct.**

(i) All Owner meetings are governed by the following rules of conduct:

(1) The President of the Association or his/her designee approved by the Board of Directors (the "Chair") shall chair all Owner meetings and shall have a written agenda.

(2) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).

(3) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item and shall be permitted to speak, subject to this Policy and the Governing Documents, before the Board votes on such agenda item.

(4) Anyone wishing to speak must first be recognized by the Chair.

(5) Only one person may speak at a time.

(6) Each person who speaks shall first state his or her name and Property address.

(7) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.

(8) Those addressing the meeting will be permitted to speak without interruption from anyone as long as this Policy is followed.

(9) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.

(10) Each person will be given up to a maximum of three minutes to make a statement or to ask questions. The Board of Directors may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual is not be permitted. Such time limit may be increased or decreased by the Chair, in the Chair's sole discretion, but shall be uniform for all persons addressing the meeting.

(11) All actions and/or decisions will require a motion and second.

(12) Once a vote has been taken, there will be no further discussion regarding that topic.

(13) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded except by the Board of Directors to aid in the preparation of minutes. Minutes of actions taken must be kept by the Association. All meetings, except for executive sessions of the Board of Directors are open to all Owners except as otherwise provided by Colorado law.

(14) Anyone disrupting the meeting, as determined by the Chair, will be asked to “come to order”. Anyone who does not come to order will be requested to immediately leave the meeting. If a person is requested to leave the meeting and refuses to do so or is abusive or threatening to the safety of others, the Chair may call for adjournment of the meeting.

(15) The Chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

(i) Election of Board of Directors will be conducted by secret ballot. In addition, any matter determined by the Board of Directors or by twenty percent (20%) of the Owners present in person or by proxy at the meeting, if a quorum is achieved, to be voted upon by secret ballot, will be by secret ballot. Each Owner entitled to vote pursuant to the Bylaws will receive a ballot. The ballot will not contain identifying information concerning the ballot holder. If an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary’s designee, the Owner will receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy will be kept and retained by the Association.

(ii) All other votes taken at a meeting of the Owners will be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

(iii) Written ballots will be counted by a neutral third party (which excludes the Association's manager or legal counsel) or by a committee of volunteers. Such volunteers will be Owners who are selected or appointed at an open meeting, in a fair manner, by the Chair. The volunteers will not be Board of Directors, and, in the case of a contested election for a Board of Director position, may not be candidates. Such procedure must ensure that the Owner(s) selected is done without being chosen by the Chair, Board of Directors or candidates. The results of any vote taken by secret ballot must be reported without reference to the names, addresses, or other identifying information of an Owner participating in such vote.

(iv) The individual(s) counting the ballots will report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

(d) **Proxies.** Proxies may be given by any Owner as permitted by the Declaration and Bylaws and in accordance with the Act.

(i) All proxies shall be reviewed by the Association's Secretary or designee as to the following:

(1) Validity of the signature. A copy of an Owner's driver's license or other official document must be provided to allow validation of the signature on the proxy.

(2) Signatory's authority to sign for the Owner. Proxy holder must provide adequate identification prior to receiving a ballot on behalf of an Owner.

(3) Authority of the Owner to vote. The Owner must be a member of the Association and in good standing in accordance with the Bylaws.

(4) Conflicting proxies. In the event there is a conflict in the proxies given by one or more Owners of the same property, none of the proxies shall be counted. In the event there is a conflict between two proxies signed by the same Owner, the most recent proxy shall be counted.

(5) Expiration of the proxy. All proxies shall contain the date the proxy is given. No proxy shall be valid for a period of more than one year after the date the proxy is given.

2. **Board Meetings.** Meetings of the Board of Directors of the Association will be called pursuant to Article 2 of the Bylaws of the Association.

(a) **Conduct.**

(i) All Board meetings will be governed by the following rules of conduct:

(1) The President or designee approved by the Board of Directors (the "Board Meeting Chair") chairs all Board of Directors' meetings.

(2) All meetings will have a written agenda.

(3) All persons who attend a meeting of the Board of Directors must sign in and provide the name of the Owner and address of the Unit.

(4) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board of Directors during the Owner forum. Any Owner wishing to speak during the Owner forum must indicate so at the time of sign in and will be permitted to speak as to such matter before the Board of Directors votes on such matter, subject to the provision of this Policy and the Governing Documents.

(5) Anyone desiring to speak must first be recognized by the Board Meeting Chair.

(6) Only one person may speak at a time.

(7) Each person speaking will first state his or her name and address.

(8) Any person who is represented by another person as indicated by a written instrument at the meeting will be permitted to have such person speak on his/her behalf.

(9) Those addressing the Board of Directors will be permitted to speak without interruption from anyone as long as this Policy is followed.

(10) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.

(11) Each person will have up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board of Directors on such issue. Yielding of time by a speaker to another individual is not permitted. Such time limit may be increased or decreased by the Chair but will be uniformly for all persons addressing the meeting.

(12) No meeting of the Board of Directors may be audio, video or otherwise recorded except by the Board of Directors to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association. All meetings, except for executive sessions of the Board of Directors are open to all Owners except as otherwise provided by Colorado law.

(13) Anyone disrupting the meeting, as determined by the Chair, will be asked to "come to order". Anyone who does not come to order will be requested to immediately leave the meeting. If a person is requested to leave the meeting and refuses to do so or is abusive or threatening to the safety of others, the Chair may call for adjournment of the meeting.

(b) **Owner Input.** After a motion and second have been made on any matter to be discussed, but prior to a vote by the Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:

(i) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who will be permitted to speak if not everyone desiring to speak will be permitted to speak.

(ii) Following Owner input, the Chair will declare Owner input closed and there will be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

3. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

4. **Supplement to Law.** The provisions of this Policy are in addition to and in supplement of the terms and provisions of the Declaration, the Bylaws and the Act.

5. **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.

6. **Inconsistencies.** If and to the extent that any provision of these Policies are inconsistent with the Declaration or Bylaws, the applicable provisions of the Declaration or Bylaws prevail, unless other required by applicable law.

CERTIFICATION:

The undersigned, being the President of the Elements at Edgemont Highlands Townhomes Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on 2/26/2017 and in witness thereof, the undersigned has subscribed his/her name.

ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC., a Colorado non-profit corporation

By: Jaime S. Marquez
Name: Jaime S. Marquez
Title: President

**RESOLUTION OF THE BOARD OF DIRECTORS OF
ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC.
ADOPTING POLICIES AND PROCEDURES REGARDING BOARD MEMBER
CONFLICTS OF INTEREST**

SUBJECT: Adoption of policies and procedures regarding Director conflicts of interest and a code of ethics ("Policy").

PURPOSE: To adopt policies and procedures to be followed when a Director has a conflict of interest to ensure proper disclosure of the conflict to the Board of Directors and to ensure proper voting and other procedures are followed. To adopt a code of ethics for Directors.

AUTHORITY: The Declaration of Covenants, Conditions and Restrictions For Elements at Edgemont Highlands Townhomes (the "Declaration"), Articles of Incorporation (the "Articles"), Bylaws (the "Bylaws"), and Rules and Regulations (the "Rules") (collectively "Governing Documents") of the Elements at Edgemont Highlands Townhomes Association, Inc. (the "Association"), and the Colorado Common Interest Ownership Act as set forth at CRS 38-33.3-101, et seq. (the "Act").

EFFECTIVE DATE: February 26, 2014

RESOLUTION: The Association adopts the following policies and procedures regarding Director conflicts of interest and code of ethics:

1. **General Duty.** The Board of Directors will use reasonable efforts at all times to make decisions that are consistent with high principles and applicable law. The Board of Directors will exercise their power and duties in good faith and in a manner that such Director reasonably believes to be in the best interest of the Association. The Board of Directors will comply with all lawful provisions of the Governing Documents and the Act.

2. **Definition of Conflict of Interest.** A conflict of interest means a contract, transaction, or other financial relationship between the Association or an Association contractor and a member of the Board of Directors (a "Director"), or between the Association or an Association contractor and a party related to a Director, or between the Association or an Association contractor and an entity in which a Director or a party related to a Director is a director or officer or has a financial interest (a "Conflict of Interest"). A "party related to a Director" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director, officer or has a financial interest.

3. **Disclosure of Conflict.** Any actual or potential Conflict of Interest on the part of a Director and the material facts as to the Director's relationship or interest must be disclosed in writing by the Director with the Conflict of Interest to the other Directors prior to the first meeting of the Board of Directors at which the interested Director is present or at which such Director, if absent, knows that the contract, decision or other action will be discussed. After disclosure, the interested Director will not participate in the discussion or vote on the matter, but may be counted for purposes of determining whether a quorum exists for that matter. The minutes of the meeting will reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

4. **Code of Ethics.** The Board of Directors will adhere to the following Code of Ethics:

(a) No Director will use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers (provided that the Association's entry into a contract or taking an action that constitutes a Conflict of Interest will not, of itself, be deemed to be a violation of this Section 4(a) as it pertains to the Director with the Conflict of Interest and if the requirements of this policy and Colorado law with regard to Conflicts of Interest have been complied with.

(b) No contributions will be made to any political parties or political candidates by or on behalf of the Association.

(c) No Director will solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.

(d) No Director will accept a gift or favor made with intent of influencing decision or action on any official matter.

(e) No Director will receive any compensation from the Association for acting as a volunteer.

(f) No Director will willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.

(g) No Director will interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors will be through the President in accordance with policy.

(h) No Director will harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.

(i) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.

(j) Any Director convicted of a felony or a misdemeanor involving dishonesty or a breach of trust must voluntarily resign from his/her position.

(k) No Director will knowingly misrepresent any facts to anyone involved with the Association which would benefit himself/herself in any way.

(l) No Director may accept a loan from the Association nor vote for or assent to the making of a loan by the Association to any other Director.

(m) Language and decorum at Board meetings will be professional. Personal attacks against owners, residents, managers, service providers, Directors, officers or employees are prohibited and are not consistent with the Governing Documents.

5. **Failure to Disclose Conflict.** Any contract entered into in violation of this Policy is void and unenforceable. In such event, the Board, at the next meeting of the Board, will vote again on the contract, decision or other action taken in violation of this Policy. A Director's failure to disclose a Conflict of Interest are grounds for removal of such Director by a majority vote of the other Board of Directors.

6. **Conflicts of Interest Not Voidable.** No Conflict of Interest is void or will be voidable or enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the Association, solely because the Conflict of Interest involves a Director, solely because the Director is present at or participates in the meeting of the Board of Directors or of a committee of the Board of Directors that authorizes, approves, or ratifies the Conflict of Interest, or solely because the Director's vote is counted for such purpose if:

(a) The material facts as to the Director's relationship or interest and as to the Conflict of Interest are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes, approves or ratifies the Conflict of Interest 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 Conflict of Interest are disclosed or are known to the members entitled to vote thereon, and the Conflict of Interest is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

(c) The Conflict of Interest is fair as to the Association.

7. **Definitions.** Any initially capitalized terms herein that are not otherwise defined in this Policy, have the meanings given to them in the Declaration.

8. **Supplement to Law.** The provisions of this Policy are in addition to and in supplement of the terms and provisions of the Declaration and the Act.

9. **Inconsistencies.** If and to the extent that any provision of this Policy are inconsistent with the Declaration or Bylaws, the applicable provisions of the Declaration or Bylaws prevail, unless other required by applicable law.

CERTIFICATION:

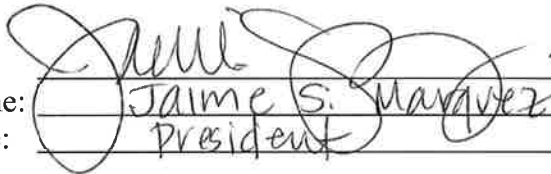
The undersigned, being the President of the Elements at Edgemont Highlands Townhomes Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors, at a duly called and held meeting of the Board of Directors of the Association on Feb. 26, 2014 and in witness thereof, the undersigned has subscribed his/her name.

ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC., a Colorado non-profit corporation

By:

Name:

Title:



Jaime S. Marquez

President

**RESOLUTION OF THE BOARD OF DIRECTORS
ELEMENTS AT EDGEMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC.
ADOPTING POLICIES AND PROCEDURES REGARDING ENFORCEMENT**

SUBJECT: Adoption of policies and procedures regarding enforcement of the Condominium Declaration for Elements at Edgemont Highlands Townhomes Association (the "Declaration"), Bylaws and any Rules and Regulations and other Governing Documents.

AUTHORITY: The Declaration of Covenants, Conditions and Restrictions For Elements at Edgemont Highlands Townhomes (the "Declaration"), Articles of Incorporation (the "Articles"), Bylaws (the "Bylaws"), and Rules and Regulations (the "Rules") (collectively "Governing Documents") of the Elements at Edgemont Highlands Townhomes Association, Inc. (the "Association"), and the Colorado Common Interest Ownership Act as set forth at CRS 38-33.3-101, et seq. (the "Act").

PURPOSE: To adopt policies and procedures with regard to the enforcement of the Governing Documents.

EFFECTIVE DATE: February 26, 2014

RESOLUTION: The Association adopts the following policies and procedures regarding Enforcement ("Policy"):

1. **Enforcement of Governing Documents.** Any complaint which alleges a violation of the Declaration or the Rules will be made in writing and will contain substantially the same information as that set forth in the Witness Statement attached hereto as Exhibit A and incorporated herein by reference. At a minimum, the complaint must set forth:

- (a) The name, unit number and phone number of the complaining witness.
- (b) The name and unit number of the violator.
- (c) The specific details or description of the violation, including the date, time and location where the violation occurred.
- (d) A statement by the complaining witness that he or she will cooperate in the enforcement procedures and will provide testimony at any proceedings, hearings or trial which may be necessary.
- (e) The signature of the complaining witness and the date on which the complaint is made.

2. **Notice of Violation.** The Owner alleged to have caused or committed the violation must be notified of the complaint and alleged violation by the Association or its manager. If the complaint is based on conduct of the Owner's tenant, the tenant must also be notified of the alleged violation. The notification must be in a manner prescribed by the Board of Directors in a form similar to that which is attached hereto as Exhibit B and incorporated herein by reference ("Notice of Violation").

3. **Right to Hearing.** Any Owner charged with a violation of the Governing Documents is entitled to an opportunity for a hearing before an impartial decision maker. For purposes of this policy, "Impartial Decision Maker" means a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions and restrictions, including its architectural requirements, and the other Rules and Regulations of the Association and do not have any direct personal or financial interest in the outcome which may include, without limitation, the Board of Directors or a committee, at the discretion of the Board of Directors. 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. If the Owner desires a hearing, the Owner must proceed as follows:

(a) Within fourteen (14) days after the Notice of Violation has been delivered to an Owner, that Owner must complete the Request for a Hearing form, which is attached to the Notice of Violation, and return it to the Association or its manager.

(b) If a request for a hearing is timely filed, a hearing on the complaint shall be held before an Impartial Decision Maker. The hearing will be conducted no later than twenty-one (21) days after receipt of the Request for a Hearing, as determined by the Board of Directors.

(c) At any such hearing, the Impartial Decision Maker will hear and consider arguments, evidence or statements regarding the alleged violation. Following a hearing, the Impartial Decision Maker will issue its determination regarding the alleged violation. The decision of the Impartial Decision Maker will be final and binding on the Owner and Association.

(d) The Owner shall have the right to appeal a decision made by the Impartial Decision Maker to the Board of Directors if the Impartial Decision Maker is other than the Board of Directors as set forth in the Bylaws.

(e) Notification of the Board's determination shall be made in a form similar to that which is attached as Exhibit C.

4. **Deemed Default.** If no Request for a Hearing is filed within fourteen (14) days by the Owner, a hearing will be considered waived, the allegations in the Notice of Violation is deemed admitted by default, and appropriate sanctions will be imposed at a meeting of the Board of Directors or a committee. The Owner will be notified by the Association of any such determination using the same form and in the same manner as if a hearing had been conducted.

5. **Remedies of Association.** The Association, acting through the Board of Directors, may enforce all applicable provisions of and may impose sanctions for violation of the Governing Documents. Such sanctions may include, without limitation:

(a) imposing reasonable monetary penalties after notice and an opportunity to be heard is given to the Owner or other violator. An Owner shall be responsible for payment of any fine levied or imposed against a Lessee or Occupant of the Owner's Unit or by any Invitee of the Owner or any Lessee or Occupant;

(b) suspending an Owner's right to vote;

(c) suspending any Person's right to use any facilities within the Common Elements; provided, however, nothing in this Policy authorizes the Board of Directors to limit ingress or egress to or from a Unit;

(d) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than fifteen (15) days delinquent in paying any Assessment or other charge owed to the Association;

(e) exercising self-help of taking action to abate any violation of the Governing Documents in a non-emergency situation;

(f) requiring an Owner, at the Owner's expense, to remove any structure or Improvement on such Owner's Unit in violation of the Governing Documents and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board of Directors or its designee has the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(g) without liability to any person, prohibiting any contractor, subcontractor, agent, employee or other Invitee of an Owner who fails to comply with the terms and provisions of the Governing Documents from continuing or performing any further activities of the Condominium;

(h) towing vehicles which are parked in violation of this Declaration or the Rules and Regulations;

(i) filing a suit at law or in equity to enjoin a violation of the Governing Documents, to compel compliance with the Governing Documents, to recover monetary penalties or money damages or to obtain such other relief as to which the Association may be entitled; and

(j) recording a written notice of a violation by any Owner of any restriction or provision of the Governing Documents. The notice must be executed and acknowledged by an officer of the Association and contain substantially the following information: (i) the name of the Owner; (ii) the legal description of the Unit against which the notice is being Recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being Recorded by the Association pursuant to the Declaration and this Policy; and (v) a statement of the specific

steps which must be taken by the Owner to cure the violation. Recordation of a "Notice of Violation" serves as a notice to the Owner and to any subsequent purchaser of the Unit that there is a violation of the provisions of the Governing Documents.

6. **Fines.** If an Owner is found to have violated personally or is otherwise liable for a violation, the following with respect to the levying of fines shall occur:

(a) If found to be guilty of a first violation, the Owner will be notified of the finding by the Association or its manager that a first violation has occurred. The first violation, at the discretion of the Board of Directors, may be considered a warning that if any further violations occur a fine for the violation will be imposed. In the alternative, the Board of Directors may elect to assess a fine.

(b) If found to be guilty of a second or continuing violation, the Owner will be notified of the finding by the Association or its manager. The Owner will be assessed a fine.

(c) Where a fine is imposed, it will be in the amount of one-hundred dollars (\$100.00) for a single incident of violation of a Governing Document, two hundred dollars (\$200.00) for a second single incident of the same violation, and two hundred fifty dollars (\$250.00) for a third or subsequent single incident of the same violation; or in any case, the sum of twenty five dollars (\$25.00) per day for a violation of a continuing nature. A FINE FOR A VIOLATION OF A CONTINUING NATURE WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE ASSOCIATION HAS CONFIRMED THE VIOLATION HAS BEEN CURED. OWNER MUST PROVIDE THE ASSOCIATION OF NOTICE IF THE VIOLATION HAS BEEN CURED.

(d) If found to be guilty of any violation, including a first violation, the notice of determination may also require the Owner to pay for any damage or any unauthorized condition on the property for which the Owner has been found responsible, to pay the costs of any repairs which have previously been made or will be made by the Association, or to pay any legal expenses and costs incurred by the Association as a result of the violation. Any damage to the Common Elements, which has been repaired by the Owner, must be inspected by the Board's representative to verify that the repair has been properly done. The cost of such inspection and any necessary repairs shall be assessed to the Owner as part of his share of the Common Expenses.

(e) All amounts required to be paid by an Owner under this Policy will bear interest at eighteen (18%) per annum until paid.

(f) Notwithstanding the foregoing, nothing in this Policy will be deemed to limit the Association's rights and remedies set forth in any of the other Governing Documents, including, without limitation, Section 13.1 of the Declaration or require that any action taken in this Section 6 be undertaken by the Board of Directors prior to exercise of any other such remedy.

7. **Charges.** Any Owner assessed herein shall pay any charges imposed within thirty (30) days of notification that such charges are due. Failure to make the payment on time shall subject the Owner to all of the legal or equitable remedies necessary for the collection

thereof, including, without limitation, the Association's right to assert a lien as an Assessment against the Unit in accordance with the Act. All charges imposed in accordance with this Policy will be added to the Owner's account and are collectible as an Assessment in the same manner as any regular or special assessment against the Unit.

8. **Time of the Essence/Notices.** Time is of the essence of this policy. Notices are deemed delivered either:

- (a) At the time of delivery if by personal delivery; or
- (b) On the second business day after deposit in the United States Mail.

9. **Miscellaneous Fees.** Owners may be charged a fee for services or materials. The services, materials and related fees that may be charged include, without limitation:

Transfer Fee (not applicable in initial sale from Declarant):	\$100.00
Association Assessment Certification:	\$55.00
Expedited Certification:	\$110.00

10. **Right of Action.** The Association on behalf of itself and any aggrieved Owner shall be granted a right of action against any and all Owners for failure to comply with the provisions of the Governing Documents, or with decisions of the Board of Directors made pursuant to authority granted to the Association in the Governing Documents. The Owners shall have a right of action against the Association for failure to comply with the provisions of the Governing Documents, or with decisions of the Board of Directors made pursuant to authority granted to the Association in the Governing Documents. In any action covered by this Section, the Association or any Owner shall have the right but not the obligation to enforce Governing Documents by any proceeding at law or in equity, or as set forth in the Governing Documents, or by mediation or binding arbitration to the extent authorized by this Declaration or the Act. The prevailing party in any arbitration or judicial relief or other civil action shall be awarded from the non-prevailing party or parties, for all reasonable costs and expenses, including attorneys' fees in connection with such arbitration or judicial relief. Failure by the Association or by any Owner to enforce compliance with any provision of the Governing Documents shall not be deemed a waiver of the right to enforce any provision thereafter.

11. **Failure to Complete Maintenance.** In addition to any other enforcement rights, if an Owner fails to properly perform its maintenance responsibility, or otherwise fails to comply with the Governing Documents, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner as an Enforcement Assessment.

12. **Unit Owner Not Responsible.** If, as a result of the fact finding process described in this Policy, it is determined that the Owner should not be held responsible for the alleged violation, the Association will not allocate to the Owner's account with the Association any of the Association's costs or attorney fees incurred in asserting or hearing the claim.

Notwithstanding any provision in the Governing Documents to the contrary, an Owner shall not be deemed to have consented to pay such costs or fees.

13. **Cumulative Remedies.** All remedies set forth in the Governing Documents are cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party will be awarded all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action. The amount of any such attorneys' fees, court costs and interest constitute a lien against the Owner's Unit that may be foreclosed in accordance with applicable law.

The decision to pursue enforcement action in any particular case is at the Board of Directors' discretion. Such a decision shall not be construed as a waiver of the Association's right to enforce such provisions at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

14. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

15. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

16. **Inconsistencies.** If and to the extent that any provision of these Policies are inconsistent with the Declaration or Bylaws, the applicable provisions of the Declaration or Bylaws prevail, unless other required by applicable law.

CERTIFICATION:

The undersigned, being the President of the Elements at Edgemont Highlands Townhomes Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting on Feb. 26, 2014 and in witness thereof, the undersigned has subscribed his/her name.

ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC., a Colorado non-profit corporation

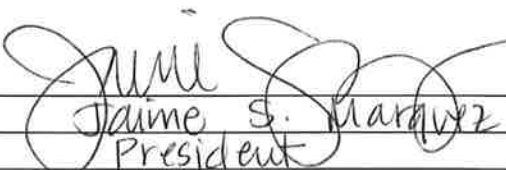
By: 
Name: Jaime S. Marquez
Title: President

EXHIBIT A
TO ENFORCEMENT POLICY FOR
ELEMENTS AT EDMONT HIGHLANDS
TOWNHOMES ASSOCIATION, INC.

VIOLATION COMPLAINT - WITNESS STATEMENT

PLEASE PRINT OR TYPE. Complete all the information you know. If unknown, please state so.
Attach additional sheets if necessary.

INFORMATION CONCERNING WITNESS(ES) TO VIOLATION

Reporting Witness Name

Date _____

Unit #

Area Code - Phone number

ADDITIONAL WITNESSES

Name & Address

Area Code - Phone Number

Name & Address

Area Code - Phone Number

INFORMATION CONCERNING THE VIOLATOR

Violator's Name

Area Code - Phone Number

Unit #

Owner's Name, Address & Phone No. if different than the Violator.

INFORMATION CONCERNING THE VIOLATION

Violation	Violation Date
1. Failure to maintain accurate records of all transactions.	12/15/2023
2. Failure to disclose all assets and liabilities.	12/15/2023
3. Failure to provide accurate financial statements.	12/15/2023
4. Failure to comply with applicable laws and regulations.	12/15/2023
5. Failure to maintain adequate internal controls.	12/15/2023
6. Failure to disclose all related party transactions.	12/15/2023
7. Failure to provide accurate information to investors.	12/15/2023
8. Failure to maintain adequate liquidity.	12/15/2023
9. Failure to comply with applicable accounting standards.	12/15/2023
10. Failure to maintain adequate risk management.	12/15/2023

Time

Location

Section(s) of Declaration, Bylaws or Rules that was violated

Reporting Witness' Observations:

Were any photographs or sound recordings made? Yes _____ No _____ By whom? _____ Include any audio or videotapes or photographs with this form or forward as soon as possible. Include the name of the person who made the tape or photograph(s), the date it was made, the location it was made and the name of anyone else who was present.

I HAVE MADE THE ABOVE STATEMENTS BASED ON MY PERSONAL KNOWLEDGE AND NOT UPON WHAT HAS BEEN TOLD TO ME. I WILL FULLY COOPERATE WITH THE ASSOCIATION AND ITS ATTORNEYS TO PROVIDE ADDITIONAL STATEMENTS OR

**AFFIDAVITS, AND IN THE EVENT A HEARING OR TRIAL IS NECESSARY, I WILL _____
WILL NOT _____ APPEAR TO TESTIFY AS A WITNESS.**

Signature

EXHIBIT B
TO ENFORCEMENT POLICY FOR
ELEMENTS AT EDMONT HIGHLANDS
TOWNHOMES ASSOCIATION, INC

TO: _____
(Owner/Tenant)

Date: _____

NOTICE OF VIOLATION

Re: Violation of Declaration, Bylaws or Rules and Regulations

You are hereby notified, as the Owner/Tenant of the Unit # _____ at (Address, City) _____, Colorado that you violated the Association's Declaration, Bylaws or Rules and Regulations. The actions complained of occurred on or about _____, 20____ and are described as follows:

UNDER THE ASSOCIATION'S RULES, IF YOU FAIL TO REQUEST A HEARING WITHIN 14 DAYS OR FAIL TO APPEAR AT A HEARING ON THESE CHARGES, YOU WILL BE FOUND GUILTY BY DEFAULT, AND FINES, CHARGES, COSTS, EXPENSES AND LEGAL FEES MAY BE ASSESSED AGAINST YOU AND ADDED TO YOUR MONTHLY ASSESSMENT.

YOU MAY AVOID THE PROPOSED SANCTION BY CURING THE VIOLATION WITHIN SEVEN (7) DAYS OF THE DATE OF THIS NOTICE.

IF A VIOLATION EXISTS, WHICH HAS NOT ALREADY BEEN CORRECTED AND YOU FAIL TO MAKE AN APPROPRIATE CORRECTION, THE ASSOCIATION MAY CORRECT THE VIOLATION AT YOUR EXPENSE.

Please consult the Association's rules for further details.

You may request a hearing by signing, dating and returning the attached Request for a Hearing form within fourteen (14) days to the Association at the address below.

Very truly yours,

ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC.

By: _____
Title: _____

Address

City, State, Zip

Area Code and Phone #

EXHIBIT B-2
TO ENFORCEMENT POLICY FOR ELEMENTS AT EDGEMONT
HIGHLANDS TOWNHOMES ASSOCIATION, INC.

REQUEST FOR A HEARING

I hereby request a hearing on the statements made against me as contained in the Notice of Violation dated _____, 20__ alleging a violation of the Declaration, Bylaws or Rules of Elements at Edgemont Highlands Townhomes Association, Inc.

Owner/Resident's Name (printed)

Address

City, State, Zip

Area Code and Phone #

Signature

Date

EXHIBIT C
TO ENFORCEMENT POLICY FOR
ELEMENTS AT EDGEMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC

TO: _____
(Owner/Tenant)

Date: _____

NOTICE OF DETERMINATION REGARDING VIOLATION

On _____ 20 ____ you were notified of a violation of the Declaration, Bylaws, or Rules of the Association. Pursuant to the Association rules:

- () A hearing was held at your request regarding the alleged violation.
- () You have admitted to the violation by default and waived your right to request a hearing. After considering the complaint and evidence, the following determination has been made and the following action(s) will be taken:
- () You were found not guilty and no action will be taken.
- () A 1st, 2nd, 3rd or subsequent violation (circle one) of the Association Declaration, Bylaws or Rules has occurred and a fine in the amount of \$ _____ is now due.
- () A violation of the Association's Declaration, Bylaws or Rules of a continuing nature has occurred and a fine in the amount of \$ _____ per day from _____, 20__ is now due. A FINE FOR A CONTINUING VIOLATION WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE ASSOCIATION HAS BEEN NOTIFIED.
- () Damages & expenses in the amount of \$ _____ have accrued and are due.
- () Legal expenses in the amount of \$ _____ have been incurred by the Association and are due.
- () Damages have occurred or an architectural violation exists, as charged in the complaint. The Association will proceed to have the damages or violation corrected or repaired at your expense.
- () As a result of a second or subsequent violation, we have instructed our attorneys to inform you that legal proceedings will be instituted if further violations occur, and the fees and expenses incurred will be assessed to you.

ELEMENTS AT EDGEMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC.

By: _____
Name: _____
Title: _____

**RESOLUTION OF THE BOARD OF DIRECTORS
ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC.
REGARDING POLICY FOR INVESTMENT OF THE RESERVE ACCOUNT**

SUBJECT: Adoption of a policy for the investment of the Reserve Account ("Policy") of the Elements at Edgemont Highlands Townhomes Association, Inc. ("Association").

PURPOSE: To adopt a policy for the investment of Reserve Account.

AUTHORITY: The Declaration of Covenants, Conditions and Restrictions For Elements at Edgemont Highlands Townhomes (the "Declaration"), Articles of Incorporation (the "Articles"), Bylaws (the "Bylaws"), and Rules and Regulations (the "Rules") (collectively "Governing Documents") of the Elements at Edgemont Highlands Townhomes Association, Inc. (the "Association"), and the Colorado Common Interest Ownership Act as set forth at CRS 38-33.3-101, et seq. (the "Act").

EFFECTIVE DATE: Feb. 26, 2014

RESOLUTION: The Association adopts the Policy as follows:

1. **Scope.** The Association is empowered to levy Assessments pursuant to the Declaration and the Act. A portion of the Assessments include monies to be used for reserves. All Assessments that are permitted to be retained by the Association under the Act as reserves will be placed in an account held for the benefit of the Association (the "Reserve Account").

2. **Purpose of the Reserve Fund.** The purpose of the Reserve Account is to responsibly fund and finance the projected periodic maintenance, repair and replacement of the Common Elements and for such other funding as the Board of Directors may determine is necessary.

3. **Investment of Reserves.** The Board of Directors, through its manager, if any, on behalf of the Association, will invest funds held in the Reserve Account to generate revenue that will accrue to the Reserve Account pursuant to the following:

(a) **Safety of Principal.** Promote and ensure the preservation of the Reserve Account's principal.

(b) **Liquidity and Accessibility.** Structure maturities to ensure availability of assets for projected or unexpected expenditures.

(c) **Minimal Costs.** Minimize investment costs (redemption fees, commissions and other transactional costs).

(d) **Diversify.** Mitigate the effects of interest rate volatility upon reserve assets.

(e) **Return.** Seek the highest level of return within the confines of the other general principles set forth in this Policy.

4. **Limitation on Investments.** Unless otherwise approved by the Board of Directors, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.

5. **Investment Strategy.** The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a ladder investment approach.

6. **Independent Professional Investment Assistance.** The Board of Directors, through its manager, if any, may in its discretion, but shall not be obligated to, hire a qualified investment counselor to assist in formulating and carrying out a specific investment strategy, the costs of which shall be included as Common Expenses.

7. **Review and Control.** The Board of Directors will review the Reserve Account investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

8. **Reserve Study.** In order to determine funding of the Reserve Account, the Board may in its sole discretion, but shall not be obligated to, determine, with the assistance and advice of professionals, the life expectancy of those portions of the community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study").

9. **Review of the Reserve Study.** The Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, at least once every three (3) years, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.

10. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

11. **Inconsistencies.** If and to the extent that any provision of this Policy are inconsistent with the Declaration or Bylaws, the applicable provisions of the Declaration or Bylaws prevail, unless otherwise required by applicable law.

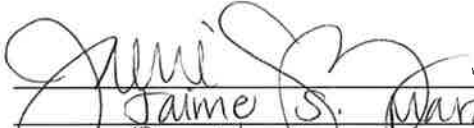
12. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances

13. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, Rules and any other Governing Documents and the Act.

CERTIFICATION:

The undersigned, being the President of the Elements at Edgemont Highlands Townhomes Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board, on behalf of the Association, at a duly called and held meeting of the Board on Feb. 26, 2014 and in witness thereof, the undersigned has subscribed his/her name.

ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC., a Colorado non-profit corporation

By: 
Name: Jaime S. Martinez
Title: President

**RESOLUTION OF THE BOARD OF DIRECTORS OF ELEMENTS AT EDMONT
HIGHLANDS TOWNHOMES ASSOCIATION, INC. REGARDING PROCEDURES
FOR ADOPTION OF POLICIES, PROCEDURES,
RULES, REGULATIONS OR GUIDELINES**

SUBJECT: Adoption of procedures to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter in the singular, a "Policy", and in the plural, "Policies") regarding the operation of the Elements at Edgemont Highlands Townhomes Association, Inc. (the "Association").

PURPOSE: To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association and to afford Owners an opportunity to provide input and comments on such Policies prior to adoption.

AUTHORITY: The Declaration of Covenants, Conditions and Restrictions For Elements at Edgemont Highlands Townhomes (the "Declaration"), Articles of Incorporation (the "Articles"), Bylaws (the "Bylaws"), and Rules and Regulations (the "Rules") (collectively "Governing Documents") of the Elements at Edgemont Highlands Townhomes Association, Inc. (the "Association"), and the Colorado Common Interest Ownership Act as set forth at CRS 38-33.3-101, et seq. (the "Act").

EFFECTIVE DATE: February 26, 2014

RESOLUTION: The Association adopts the following procedures to be followed in adopting Policies of the Association:

1. **Scope.** The Board of Directors may, from time to time, adopt certain Policies as may be necessary or appropriate to facilitate the effective and efficient operation of the Association, including, but not limited to, the clarification of ambiguous provisions in the Governing Documents and other documents, to provide for effective communication and procedures regarding the operation of the Association, or as may be required by the Act.

2. **Procedures to Adopt Policies.** In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board of Directors will follow the following procedures when adopting any Policy.

(a) **Drafting Procedure.** The Board of Directors will consider the following in drafting any Policy:

(i) whether the Governing Documents or Colorado law grants the Board of Directors the authority to adopt such a Policy;

(ii) the need for such Policy based upon the scope and importance of the issue and whether the Governing Documents adequately address the issue; and

(iii) the immediate and long-term impact and implications of the Policy.

(b) **Notice and Comment.** A copy of the proposed Policy will be provided to all Owners or posted on the Association's website or in the Association's newsletter and Owners will be allowed ten (10) days to provide comment and/or feedback on the proposed Policy. The Board of Directors is not required, however, to include any comments that it receives, but will consider such comments, nor is the adoption or content of any such Policy required to be approved by any of the Owners.

(c) **Emergency.** The Board of Directors may forego the notice and opportunity to comment in the event the Board of Directors determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy; or if the policy is necessary for the Board of Directors to carry out its functions prior to the expiration of the notice and comment period.

(d) **Adoption Procedure.** After the period for Owner comment expires, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) must be provided to all Owners by any reasonable method as determined by the sole discretion of the Board of Directors that complies with the requirements of Colorado law, including but not limited to posting on the Association's website.

(e) **Policy Book.** The Board of Directors, or the manager of the Association, will keep copies of any and all adopted Policies in a book designated as a Policy Book, which will be kept at the Association's principal place of business. The Board of Directors may further categorize Policies, Procedures, Rules and Regulations, Resolutions and Design Guidelines but is not required to do so.

3. **Inconsistencies.** If and to the extent that any provision of these Resolutions are inconsistent with the Declaration or Bylaws, the applicable provisions of the Declaration or Bylaws prevail, unless other required by applicable law.

4. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

5. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the Act.

6. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

CERTIFICATION:

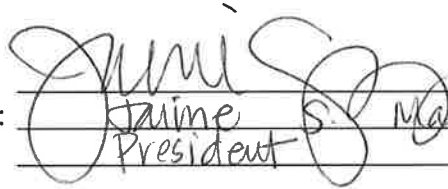
The undersigned, being the President of the Elements at Edgemont Highlands Townhomes Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of the Association, at a duly called and held meeting of the Board of the Association on Feb. 26, 2014 and in witness thereof, the undersigned has subscribed his/her name.

**ELEMENTS AT EDMONT HIGHLANDS
TOWNHOMES, INC.,** a Colorado non-profit corporation,

By:

Name:

Title:


Jaime S. Martinez
President

**RESOLUTION OF THE BOARD OF DIRECTORS
ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC. REGARDING POLICY AND
PROCEDURE FOR INSPECTION AND COPYING OF ASSOCIATION RECORDS**

SUBJECT: Adoption of policies and procedures for the inspection and copying of Elements at Edgemont Highlands Townhomes Association, Inc. ("Association") records by Owners and retention of Association permanent records.

PURPOSE: To adopt policies regarding an Owner's right to inspect and copy Association records and identification of records to be permanently retained by the Association and to adopt standard procedures to be followed when an Owner chooses to inspect or copy Association records (collectively, the "Policy").

AUTHORITY: The Declaration of Covenants, Conditions and Restrictions For Elements at Edgemont Highlands Townhomes (the "Declaration"), Articles of Incorporation (the "Articles"), Bylaws (the "Bylaws"), and Rules and Regulations (the "Rules") (collectively "Governing Documents") of the Elements at Edgemont Highlands Townhomes Association, Inc. (the "Association"), and the Colorado Common Interest Ownership Act as set forth at CRS 38-33.3-101, et seq. (the "Act").

EFFECTIVE DATE:

Feb. 26, 2014

RESOLUTION: The Association adopts the following Policy:

1. **Required Records.** The Association, through its manager, will keep records and make the records available to all Owners in conformance with the Governing Documents and applicable law. The Association, through its manager, if any, will keep the following records:

(a) An account for each Owner, which designates the name and address of each Owner, the amount of each Assessment, the dates on which each Assessment comes due, any other fees payable by the Owner, the amounts paid on the account and the balance due;

(b) Detailed records of receipts and expenditures affecting the operation and administration of the Association;

(c) Records of claims for construction defects and amounts received pursuant to settlement of those claims;

(d) Minutes of all meetings of its Owners and executive Board of Directors, a record of all actions taken by the Owner or executive Board of Directors without a meeting, and a record of all actions taken by any committee of the executive Board of Directors;

(e) Written communications among, and the votes cast by, executive Board of Directors members that are: (I) directly related to an action taken by the Board of Directors without a meeting pursuant to Section 7-128-202, C.R.S.; or (II) directly related to an action taken by the Board of Directors without a meeting pursuant to the Association's bylaws;

(f) The names of Owner in a form that permits preparation of a list of the names of all Owner and the physical mailing addresses at which the Association communicates with them, showing the number of votes each unit owner is entitled to vote;

(g) Its current declaration, covenants, bylaws, articles of incorporation, if it is a corporation, or the corresponding organizational documents if it is another form of entity, rules and regulations, responsible governance policies adopted pursuant to Section 38-33.3-209.5, and other policies adopted by the executive Board of Directors;

(h) Its most recent annual financial statements, if any, and its most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations for the past three (3) years and tax returns of the Association for the past seven (7) years, to the extent available;

(i) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board of Directors and officers;

(j) Its most recent annual report delivered to the secretary of state;

(k) Financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316(8) concerning statements of unpaid assessments;

(l) The Association's most recent reserve study, if any;

(m) 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;

(n) Records of executive Board of Directors or committee actions to approve or deny any requests for design or architectural approval from Owner;

(o) Ballots, proxies and other records related to voting by Owner for one (1) year after the election, action or vote to which they relate;

(p) Policies adopted by the Board of Directors of directors relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members; and

(q) All written communications within the past three (3) years to all Owners generally as Owner.

2. **Inspection/Copying Association Records.** An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:

(a) The inspection and/or copying of the records of the Association shall be at the Owner's expense or the Association may charge a fee for copying costs not to exceed its actual cost in accordance with Section 6 of this Policy;

(b) The inspection and/or copying of the records of the Association shall be conducted by appointment during the regular business hours of 9:00 a.m. to 5:00 p.m., Monday through Friday, at the offices of the Association's managing agent or other locations as shall be determined by the Board from time to time;

(c) The Owner shall give the Association a written demand, stating the purpose for which the inspection and/or copying is sought, at least ten (10) days before the date on which the Owner wishes to inspect and/or copy such records;

(d) The Owner may be required to complete and sign an agreement such as the one attached hereto titled "Agreement Regarding Inspection of Association Records" prior to the inspection and copying of any Association record. Failure to properly complete or sign the Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association;

(e) The Association is not obligated to compile or synthesize information; and

(f) A right to copy records under this section includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by the Owner.

3. **Proper Purpose/Limitation.** A list of memberships in the Association records shall not be used by any Owner for:

(a) Any purpose unrelated to an Owner's interest as an Owner without the written consent of the Board of Directors;

(b) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;

(c) Any commercial purpose;

(d) For the purpose of giving, selling, or distributing such Association records to any person; or

(e) Any improper purpose as determined in the sole discretion of the Board of Directors.

4. **Exclusions.** Records maintained by an Association may be withheld from inspection and copying to the extent that they are or concern:

(a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans or designs;

(b) Contracts, leases, bids or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;

(c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;

(d) Disclosure of information in violation of law;

(e) Records of an executive session of an executive board; and

(f) Individual units other than those of the requesting Owner.

5. **Mandatory Exclusions.** Records maintained by an Association are not subject to inspection and copying, and must be withheld, to the extent that they are or concern:

(a) Personnel, salary or medical records relating to specific individuals; or

(b) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers and social security numbers.

6. **Fees/Costs.** Any Owner requesting copies of Association records are responsible for all actual costs incurred by the Association. The Association requires a deposit equal to the anticipated actual cost of the requested records. The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of association records. The charge may not exceed the estimated cost of production and reproduction of the records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records.

7. **Inspection.** The Association or its manager reserves the right to have a third party present to observe during any inspection of records by an Owner or the Owner's representative at the Owner's sole cost and expense.

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

9. **Creation of Records.** Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

10. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, in this Policy have the meanings given to them in the Declaration.

11. **Supplement to Law.** The provisions of this Policy are in addition to and in supplement of the terms and provisions of the Declaration and the Act.


12. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

13. **Inconsistencies.** If and to the extent that any provision of this Policy are inconsistent with the Declaration or Bylaws, the applicable provisions of the Declaration or Bylaws prevail, unless other required by applicable law.

CERTIFICATION:

The undersigned, being the President of the Elements at Edgemont Highlands Townhomes Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on Feb. 26, 2014 and in witness thereof, the undersigned has subscribed his/her name.

ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC., a Colorado non-profit corporation

By: 
Name: Jaime S. Martinez
Title: President

**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS OF THE
ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC.**

I have requested to inspect and/or obtain copies of the following records of the Elements at Edgemont Highlands Townhomes Association, Inc. (be as specific as possible):

The records shall be used for the following purpose(s) only: _____

I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

- (A) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (B) used for any commercial purpose;
- (C) sold to, otherwise distributed to, or purchased by any person;
- (D) any other purpose prohibited by law; or
- (E) any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association or its managing agent, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

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

Understood and agreed to by:

Owner

Date: _____

Owner

Date: _____

Address

Accepted by the Association:

Date: _____

**RESOLUTION OF THE BOARD OF THE
ELEMENTS AT EDGEMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC.
ADOPTING POLICIES AND PROCEDURES REGARDING DISPUTE RESOLUTION**

SUBJECT: Adoption of policies and procedures regarding dispute resolution ("Policy").

PURPOSE: To adopt a policy and procedure to be followed when an Owner, the Association and/or the Declarant are involved in a dispute to provide an opportunity to resolve such dispute amicably and without resorting to litigation.

AUTHORITY: The Declaration of Covenants, Conditions and Restrictions For Elements at Edgemont Highlands Townhomes (the "Declaration"), Articles of Incorporation (the "Articles"), Bylaws (the "Bylaws"), and Rules and Regulations (the "Rules") (collectively "Governing Documents") of the Elements at Edgemont Highlands Townhomes Association, Inc. (the "Association"), and the Colorado Common Interest Ownership Act as set forth at CRS 38-33.3-101, et seq. (the "Act").

EFFECTIVE DATE: February 26, 2014

RESOLUTION: The Association adopts the following Policy regarding dispute resolution ("Dispute Resolution"):

The Association's policy for dispute resolution is set forth in Article 15 of the Declaration, which is reproduced below in its entirety. The Board of Directors of the Association hereby adopts the provisions for Mandatory Dispute Resolution as set forth in said Article 15.

15. MANDATORY DISPUTE RESOLUTION

15.1 Statement Of Clarification. Without modifying or restricting the scope of this Article and as a statement of clarification only, nothing contained in this Article is intended to prevent the parties from attempting to resolve any differences between them through the normal course of business and communications. It is only when the parties are unable to resolve their differences and wish to proceed further through the assertion of a "Claim" as defined below, that the mandatory dispute resolution provisions contained in this Article are activated.

15.2 Alternative Method For Resolving Disputes. Declarant; the Association, the Executive Board; all Owners; design professionals; builders, including any of their subcontractors and suppliers; and any other person not otherwise subject to this Declaration but who agrees to submit to this Article (each such entity being referred to as a "Party"), agree to encourage the amicable resolution of disputes involving the Association and all of its improvements without the

emotional and financial costs of litigation. Accordingly, each Party covenants and agrees to submit all Claims each may have to the procedures set forth in this Article 15 and not to a court of law.

15.3 Claims. Except as specifically excluded in this Section 15.3, all claims, disputes and other controversies arising out of or relating to the:

- (a) Contract for Sale and Purchase between Declarant and Owner;
- (b) Property as defined herein;
- (c) purchase of any Lot, together with improvements;
- (d) interpretation, application or enforcement of this Declaration;
- (e) land development, design and/or construction of the improvements within the Association and/or any alleged defect therein;
- (f) rights, obligations and duties of any Party under this Declaration; and/or
- (g) breach thereof,

all of which are hereinafter referred to as a "Claim", shall be subject to and resolved by submitting the Claim to mediation and, if not resolved during mediation, shall be resolved by mandatory binding arbitration all in accordance with Article 15 of this Declaration and not in a court of law.

15.4 Claims Subject To Approval. Unless Owners to whom at least sixty-seven percent (67%) of the votes in the Association are allocated agree to the contrary, the following shall not be Claims and shall not be subject to the provisions of this Article 15:

- (a) any suit by the Association against any Owner to enforce the provisions of Section 6 (Assessments);
- (b) any suit by the Association or Declarant to obtain a temporary restraining order or injunction and such other ancillary relief as the court may deem necessary in order for the Association or Declarant to act under and enforce the provisions of Article 3 (Restrictions On Use);
- (c) any suit by an Owner to challenge the actions of Declarant, the Association, the Executive Board or any other committee with respect to the enactment and enforcement of Rules and Regulations or the approval or disapproval of plans pursuant to the provisions of Article 5 (Architectural Controls);
- (d) any suit between or among Owners, which does not include Declarant or the Association as a party; and/or
- (e) any suit in which any indispensable party is not a Party.

15.5 Notice Of Claim. Any Party having a Claim (“Claimant”) against any other Party (“Respondent”) shall submit all of their Claims by written notification delivered to each Respondent, stating plainly and concisely:

- (a) the nature of the Claim, including the Persons involved and Respondent’s role in the Claim;
- (b) the legal or contractual basis of the Claim (i.e. the specific authority out of which the Claim arises); and
- (c) the specific relief and/or proposed remedy sought.

15.6 Timely Initiation. All Claims shall be initiated by the Claimant within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations or repose.

15.7 Right To Be Heard. Upon receipt of a Claim and prior to the Association or any Owner asserting the Claim commencing any arbitration or judicial or administrative proceeding which may fall within the scope of this Article 15, Declarant shall have the right to be heard by the Claimant, affected Owners and Association in an effort to resolve the Claim.

15.8 Right To Inspect. If the Claim is based on the land development, design and/or construction of the improvements within the Association, then, subject to Owner’s prior written approval which shall not be unreasonably withheld, Declarant shall have the right to access the affected area at a reasonable time(s) for purposes of inspecting the condition complained of including but not be limited to, any investigative or destructive testing.

The Association shall have the same right to inspect for any Claims by Owner against the Association in accordance with the above.

In the exercise of the inspection rights contained herein, the party causing the inspection to be made (“Inspecting Party”) shall:

- (a) be careful to avoid any unreasonable intrusion upon, or harm, damage or costs to the other party including, without limitation, using its best efforts to avoid causing any damage to, or interference with, any improvements on the property being inspected;
- (b) minimize any disruption or inconvenience to any person who occupies that property;
- (c) remove daily all debris caused by the inspection and located on such property; and/or
- (d) in a reasonable and timely manner, at the Inspecting Party’s sole cost and expense, promptly remove all equipment and materials from such property and repair and replace

all damage, and restore the property to the condition of the property as of the date of the inspection, unless the property is to be immediately repaired.

The repair, replacement and restoration work shall include, without limitation, the repair or replacement to any structures, driveways, fences, landscaping, utility lines or other improvements on the Property that were damaged, removed or destroyed by Inspecting Party. In the event the Inspecting Party wishes to make appropriate and necessary repairs to resolve the subject matter of the Claim, the same shall be made upon terms and conditions acceptable to all affected parties.

The Inspecting Party shall not permit any claim, lien or other encumbrance arising from the exercise of its right to inspect to accrue against or attach to the Property. The Inspecting Party shall indemnify, defend and hold harmless the Owners, tenants, guests, employees and agents, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and attorney's fees, resulting from any breach of this Section by the Inspecting Party.

15.9 Good Faith Negotiations. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. Any Party may appoint a representative to assist such Party in negotiations.

15.10 Mediation. If the Parties do not resolve the Claim through negotiations within thirty (30) days after the date of submission of the Claim to Respondent(s), as may be extended upon agreement of all affected Parties, Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of an independent mediation service acceptable to all parties. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and all Respondent(s) shall be released and discharged from any and all liability to Claimant on account of such Claim.

(a) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties.

(b) If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(c) Within ten (10) days after issuance of a Termination of Mediation, the Claimant shall make a final written settlement demand to the respondent(s) and the Respondent(s) shall make a final written settlement offer to the Claimant. If the Claimant fails to make a settlement demand, Claimant's original Claim shall constitute the settlement demand. If the Respondent(s) fail to make a settlement offer, Respondent(s) shall be deemed to have made a "zero" or "take nothing" settlement offer.

(d) Each Party shall bear its own costs, including attorney's fees, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the mediation proceeding.

(e) If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with this Article 15 and any Party thereafter fails to abide by the terms of such agreement, then any other Affected Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Article 15. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party all costs incurred in enforcing such agreement, including, without limitation, reasonable attorney's fees and court costs.

15.11 Consensus For Association Arbitration Or Litigation. Except as provided in this Article 15, the Association shall not commence any arbitration or a judicial or administrative proceeding unless Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated agree to such proceedings.

This Section 15.11 shall not apply, however, to:

(a) actions brought by the Association or Declarant to enforce the terms of this Declaration (including, without limitation, the foreclosure of liens);

(b) the imposition and collection of Assessments, fines, costs and attorney fees or other specific amounts due under the Declaration; or

(c) counterclaims brought by the Association in proceedings instituted against it.

15.12 Arbitration. If the Parties do not reach a settlement of the Claim within fifteen (15) days after issuance of any Termination of Mediation and reduce the same to writing, the Claimant shall have fifteen (15) additional days to submit the Claim to binding arbitration in accordance with the Colorado Uniform Arbitration Act (§13-22-201 *et seq.* C.R.S.) and deliver an Arbitration Notice to all Respondent(s).

(a) The Parties agree that where any Claim, dispute or other controversy existing between them is submitted to arbitration, and any other Party may have liability with respect thereto, all Parties including any third parties agree that the third parties may be joined as additional Parties in the arbitration, or if a separate arbitration exists or is separately initiated, to the consolidation of all arbitrations. It is the intent of the Parties to resolve all rights and obligations of all interested Parties at one time in one forum rather than in multiple proceedings.

(b) If the Claim(s) are not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim(s) shall be deemed abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising out of such Claim(s).

(c) The award rendered by the Arbitrator shall be final and binding, may be filed with any court of competent jurisdiction in accordance with applicable law and judgment obtained thereon, and execution may issue. The Party seeking enforcement shall be entitled to all reasonable attorney's fees and costs incurred in the enforcement of the award.

(d) The arbitrator shall have authority, in the sound exercise of discretion, to award the prevailing Party such Party's costs and expenses, including reasonable attorney's fees.

(e) The Association or the Owner shall notify the Declarant prior to retaining any person or entity as an expert witness for purposes of any arbitration or authorized litigation.

15.13 Binding Effect. This Article 15 and the obligation to arbitrate shall be specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

15.14 Amendment. This Article 15 shall not be amended unless such amendment is approved by Owners to whom at least sixty-seven percent (67%) of the votes in the Association are allocated.


15.15 Conflict With CCIOA. In the event that any provisions of this section conflict with CCIOA, as amended from time to time, then the provisions of CCIOA shall prevail.

IF A UNIT OWNER, THE ASSOCIATION, OR ANY OTHER BOUND PARTY FILES A CIVIL ACTION ASSERTING A CLAIM AGAINST ANY BOUND PARTY INSTEAD OF COMPLYING WITH THE MANDATORY DISPUTE RESOLUTION PROVISIONS OF THE ABOVE ARTICLE (OR THE OTHER DISPUTE RESOLUTION PROVISIONS, AS APPLICABLE), THE PARTY AGGRIEVED BY THE FILING MAY APPLY TO THE APPROPRIATE COURT FOR AN ORDER DISMISSING THE CIVIL ACTION AND COMPELLING THE FILING PARTY TO SUBMIT THE CLAIM TO THE MANDATORY DISPUTE RESOLUTION PROVISIONS APPLICABLE THERETO. THE APPLYING PARTY SHALL BE ENTITLED TO IMMEDIATE ENTRY OF AN ORDER OF DISMISSAL AND A MANDATORY AWARD OF ATTORNEY'S FEES AND TAXABLE COSTS INCURRED IN COMPELLING COMPLIANCE WITH THE ABOVE MANDATORY DISPUTE RESOLUTION PROVISION.

CERTIFICATION:

The undersigned, being the President of the Elements at Edgemont Highlands Townhomes Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on Feb. 26, 2014 and in witness thereof, the undersigned has subscribed his/her name.

ELEMENTS AT EDMONT HIGHLANDS TOWNHOMES ASSOCIATION, INC., a Colorado non-profit corporation

By: 
Name: Jaime S. Martinez
Title: President