

COLLECTION POLICIES AND PROCEDURES

Adopted January 1, 2006

Amended September 13, 2007

The following policies and procedures were adopted by resolution of the Executive Board (the "Board") of 1747 Washington Homeowners' Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

A. The Colorado Legislature has declared that the continued economic prosperity of Colorado is dependant upon the strengthening of homeowners associations in common interest communities financially through, among other things, enhancing the financial stability of associations by increasing the association's powers to collect delinquent assessments, late charges, fines, and enforcement costs. Based upon that declaration the Colorado Common Interest Ownership Act ("the Act") was adopted.

B. Pursuant to the Association's governing documents and the Act, the Association, acting through its Board, is obligated to collect the assessments and other charges owed to the Association.

C. Subsection 209.5(1)(b)(I) of the Act requires the Association to adopt policies and procedures for collection of unpaid assessments.

D. Subsections 302(1)(k) and 302(1)(l) of the Act provide that subject to the provisions of the declaration, an association, without specific authorization in the declaration may: impose charges for late payment of assessments, recover reasonable attorney fees and other legal costs for collection of assessments, regardless of whether or not suit was initiated, and, impose reasonable charges for the preparation and recording of statements of unpaid assessments.

E. Article 6 of the recorded Declaration of Covenants, Conditions and Restrictions for 1747 Washington (the "Declaration") generally provides that:

1. Each Owner of a Unit, by acceptance of a deed, is deemed to agree to pay to the Association assessments or charges.

2. Each monthly installment of the assessment shall be due in advance on the 1st of each month.

3. Any assessment/installment not paid within 10 days of the due date shall be subject to interest at the rate of 21% per annum, and a late fee, which the Board has currently set at \$20.00.

4. Assessments, as that term is defined in the Act, are the personal obligation of the Owner of the Unit when the assessment fell due and a charge against the Unit.

F. The Board deems it desirable to establish and operate by procedures that balance the Association's interest in the timely collection of Common Expense Assessments and other charges with the Owner's interest of being advised of any delinquent balance owed on their account and being treated fairly in the resolution of the delinquent account balance prior to the Association instituting legal action to collect the amount it alleges is due.

G. The Board also deems it desirable to adopt and define the method in which the Association will apply partial payments on an Owner's account.

THEREFORE, IT IS RESOLVED THAT the following procedures shall apply to the Association's collection of sums alleged to be due from the Owner

1. Due Date, Late Fees, and Interest:

The due date for each monthly installment of the Common Expense Assessment is the first day of the month. Any Owner, having not paid the monthly installment of the Common Expense Assessment within ten (10) days after the due date in the month in which the payment is due shall be considered delinquent. If the monthly installment of the Common Expense Assessment is not received by the 11th of the month that the payment is due, the Owner's account will be subject to a late fee in the amount of \$20.00, and interest at the rate of 21% per annum.

2. Notice of Delinquent Account:

The Association, through its agent, shall provide written notice to the owner of the delinquent payment once after the late fee is assessed and interest begins to accrue; and, if not paid, a second time 30 days after the first notice was sent.

In the event the delinquent balance is not paid in full within 30 days of the second notice the Board may accelerate the remainder of the annual assessment provided notice of acceleration is provided to the Owner prior to the remainder of the assessment being called due

Notices shall be in writing and delivered to the Owner, via U.S. Mail first class postage prepaid, addressed to the property subject to the assessment obligation. The Association, upon the written request of the Owner delivered to the Association personally or by certified mail, return receipt, postage prepaid, will mail the notice of delinquency to another address as set forth in the Owner's written request.

The Association, pursuant to its right to recover legal costs of collection, shall have the right to recover its actual costs of maintaining the delinquent balance, written notice to the Owner, and other costs associated with the Owner's delinquency.

3. Collection Procedure:

In the event the alleged delinquent balance is not resolved within thirty days of the second written notice of delinquency set forth above, the Board, through the Association's designated agent, may refer the Owner's account to the Association's attorney for collection.

Generally the Association's attorney/agent will prepare and record a Notice of Assessment Lien against the real property subject to the assessment obligation. The Association's attorney/agent may prepare and mail a letter demanding payment of a sum equal to the alleged delinquent assessment, late fees, interest, costs of collection including attorney fees, court costs, and other legal costs incurred up to the date the letter was prepared.

If the delinquent balance is not resolved within thirty days of the letter demanding payment the Board, through its designated agent, may authorize the Association's attorney to file a lawsuit asserting claims against the Owner of property subject to the assessment obligation, an action to foreclose the Assessment Lien encumbering the real property subject to the assessment obligation, or both. The lawsuit shall claim the alleged assessment delinquency, late fees, interest, costs of collection including attorney fees, court costs, and other legal costs incurred through the date of judgment or decree.

Nothing in this policy precludes the Association from seeking the appointment of a receiver or implementing other legal and equitable methods to collect the alleged delinquent assessments, late fees, interest, costs including attorney fees

The Board shall designate a Committee of the Board, Board Member, or the Managing Agent, to work with the Association's attorney for purposes of authorizing settlement agreements and authorizing collection efforts. The designated agent shall use diligent efforts to timely communicate with the Association's attorney with respect to changes affecting the account including, but not limited to, payments on account, additional debits on the account, bankruptcy filings, foreclosure proceedings, and conveyances.

4. Partial Payments on Account:

The Colorado Supreme Court has held that a creditor is entitled to apply payments to the Debtor's account in a manner it chooses where the Debtor does not instruct creditor otherwise. See: Westor Group, Inc. v. Hirschfeld Press, Inc., 845 P. 2nd 1162 (Colo. 1993).

Any payments of less than the full amount owed to the Association shall be applied to pay the following (if applicable) in the order listed, from oldest to most recent in each category:

- 1st to attorney fees and legal costs,
- 2nd to association's costs and other legal charges,
- 3rd to fines,
- 4th to late charges,
- 5th to interest,
- 6th to special assessments, and
- 7th to annual assessments.

The Association through its designated agent shall have the discretion to return any partial payment that directs the funds to be applied in a manner inconsistent with the Association's policy pertaining to partial payments set forth above.

5. Miscellaneous Provisions:

In the event the Owner intends to satisfy the entire debt to the Association by means of a restrictive endorsement of a check or money order for an amount less than the entire balance then due on the Owner's account, that check must be delivered to the Association's managing agent personally or by certified mail first class postage prepaid return receipt requested. The Association has no obligation to accept such a check or money order.

If a check or other instrument is tendered to the Association and the instrument is not honored by the financial institution the Association may impose a \$ 20 00 fee as a returned check fee, or pursue the statutory remedies which generally allow the Association to collect treble damages and attorney fees in the event the issuer fails to honor the instrument. The returned check fee, if charged, shall be the personal obligation of the issuer of the check as well as a lien against the real property subject to the assessment obligation

Generally alleging a failure of the Association to maintain the Common Elements/Area or generally alleging a failure of the Association to comply with provisions of the Association's governing documents or this Collection Policy shall not constitute a defense or set-off of the lawfully imposed assessments

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

The Association may choose to foreclose its lien in lieu of or in addition to suing an Owner in county court for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in the situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.

The Board is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Board shall determine appropriate under the circumstances, such as hardship or other extenuating circumstances.

In the event a Court of competent jurisdiction finds a provision of this collection policy void or otherwise unenforceable, the other provisions shall remain in full effect

These policies and procedures were adopted this 13 day of SEPTEMBER 2007, by resolution of the Executive Board of 1747 Washington Homeowners' Association, Inc.

1747 Washington Homeowners' Association, Inc.

By 

Its President

MEETING POLICY

*Adopted January 1, 2006
Amended September 13, 2007*

The following policy was adopted by the Board (the "Board") of 1747 Washington Homeowners' Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board

RECITALS:

- A. Colorado Revised Statute § 38-33-3-209.5(1)(b)(III) requires the Association to adopt a policy pertaining to the conduct of meetings
- B. This policy is not intended to take the place of or invalidate provisions contained in the Association's Bylaws or the Colorado Revised Nonprofit Corporation Act. the policy is intended to incorporate provisions of Senate Bill 100 into the Association's procedures for meetings of both the Owners and the Board.

THEREFORE, IT IS RESOLVED:

1. Meeting of the Owners

A meeting of the Owners of the Association shall be called at least once per year in accordance with the provisions of the Colorado Common Interest Ownership Act ("the Act"), if applicable, if not then with the Association's Bylaws or operative sections of the Association's other governing documents. In the event the Association's governing documents are silent with respect to a specific issue, the provisions of the Colorado Revised Nonprofit Act will control.

Pursuant to the Act and the Association's Bylaws, meetings of the Owners may be called by the President, a majority of the members of the Board, or by the Unit owners having 20% of the votes of the Association.

Notice of the meeting of the Owners shall be delivered by hand or by U S Mail postage prepaid to each Owner. The notice shall be addressed to the Unit within the community unless the Owner has designated another address in writing and delivered that request to the Association or its agent no less than twenty days prior to the record date applicable to that meeting of Owners. The notice shall be delivered no less than 10 days, nor more than 50 days prior to the date of the meeting, and shall state the date, time, and location of the meeting as well as the items on the agenda.

In addition to the delivery of the notice to the Owners, the Association shall cause to be posted a notice of the meeting of the Owners in a conspicuous place within the Community if feasible and practicable. The Association may also post notice to the Owners electronically on a web site or via e-mail to the Owners.

All meetings of the Owners shall proceed on issues generally set forth in the notice required by Colorado Revised Statute § 38-33.3-308 and in accordance with the written order of business unless a majority of Owners in person or proxy vote to amend the written order of business. In the event a written order of business has not been produced for the meeting, the following order of business shall apply:

- Roll call
- Proof of notice of meeting
- Reading of minutes from preceding meeting
- Reports
- Election of inspectors of elections (if appropriate)
- Election of board members (if appropriate)
- Ratification of budget (if appropriate)
- Unfinished business and
- New business

All meetings of the Owners shall be open to attendance by all Owners or their designated representatives. In the event the Board has the authority to suspend a Owner's right to vote at the meeting, the Board must have provided that Owner, with at least 15 days written notice, of the Board's intention to suspend the right to vote, and provide an opportunity for that Owner to be heard, not less than five days prior to the suspension of the Owner's right to vote.

Notwithstanding the status of the Owner's right to vote at a meeting of the Owners, each Owner, or a designated representative, may speak at the appropriate time during the deliberations based on the reasonable time restrictions imposed by the Board. Reasonable time restrictions shall include the requirement that a reasonable number of persons are permitted to speak on each side of an issue before a vote is called for the issue. The Chair of the meeting shall have discretion to determine the appropriate time for the Owners to speak, the reasonable time restrictions imposed on the Owners right to speak, and the reasonable number of persons permitted to speak of each side of the issue.

Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at

a meeting of the Owners shall be taken in such method as determined by the Board including acclamation, by hand, by voice or by ballot. Notwithstanding the above, uncontested elections of Board members or other votes on matters affecting the community shall be by secret ballot at the discretion of the Board or upon the request of 20% of the Owners who are present at the meeting or represented by proxy. A neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates, shall count ballots. The committee shall be selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person presiding during that portion of the meeting. The results of a vote by secret ballot shall be reported without reference to names, addresses, or other identifying information respective to the parties casting secret ballots

Proxy voting shall proceed in strict compliance with Colorado Revised Statutes §§ 7-127-203, 7-127-204, and 38-33 3-310. Further, all proxy appointments shall be delivered by hand or certified U S Mail postage prepaid return receipt requested to the Secretary or designated agent no later than 72 hours prior to the date and time of the Owners meeting

In the event a quorum is not present for a meeting of the Owners, an officer may adjourn the meeting to be reconvened at a later date and time provided the meeting is reconvened within 30 days and the location of the reconvened meeting is announced at the meeting prior to adjournment

2. Board Meetings

Each meeting of the Board shall be called in accordance with the provisions of the Colorado Common Interest Ownership Act if applicable, if not, then with the Association's Bylaws or operative sections of the Association's governing documents. In the event the Association's governing documents are silent with respect to a specific issue, the provisions of the Colorado Revised Nonprofit Act will control.

Meetings of the Board shall proceed on issues as generally set forth in the agenda. The agenda will be made reasonably available to Owners and their designated representatives.

Unless the Board is in executive session pursuant to subsection 308 of the Colorado Common Interest Ownership Act, all meetings of the Board or a committee thereof are open to attendance by all Owners or their designated representative.

Unless a majority of the members of the Board vote to allow Owners to participate in deliberation or discussion, the Owners other than members of the Board, may not participate in the meeting of the Board

Notwithstanding the restriction placed on a Owner's participation in a meeting of the Board, after a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the Board, Owners or their designated representatives shall be afforded a right to speak on the motion as set forth below.

The following procedure is intended to balance the Association's interest to promote the efficient administration of the Association's affairs and the Owner's right to speak before the Board takes formal action on an item under discussion:

- a. Board meetings shall follow appropriate parliamentary procedure and pursuant to the Association's governing documents. This requirement shall not mandate the strict adherence to the provisions of Robert's Rules of Order, but rather facilitate the orderly administration of the business of the Association
- b. Owners may participate in the meeting only by being recognized individually by the Chair of the meeting. Generally membership participation is scheduled after the meeting is called to order and before the minutes of any prior meetings are approved.
- c. All Owners attending the meeting who intend to speak in any fashion shall be required to sign the appropriate sign-in sheet for that meeting. Owners shall be recognized in the order in which they sign in except upon special permission by the Board. To the extent that Owners wish to speak to specific issues on the agenda, those Owners shall designate those issues on the sign-in sheet and indicate what side of each issue that Owner will speak to.
- d. Owners must wait to speak until recognized by the chair of the meeting
- e. Owners must speak in a calm manner and conduct themselves with respect to all those in attendance.
- f. Owners make their comments within the time allotted by the Chair of the meeting

The Chair of the meeting has the authority to enforce this policy. The failure to comply with this policy may result in the denial of the ability to speak at that meeting and may result in fines being imposed and/or the Owner being removed from the meeting. These provisions may be in addition to other specific provisions outlined in the Rules and Regulations, the Declaration, Bylaws or Articles of Incorporation of the Association. The Association may at any time pursue legal remedies, including filing a court action and seeking injunctive relief, or seek assistance from other enforcement authorities.

In the event a Court of competent jurisdiction finds a provision of this Meeting Policy void or otherwise unenforceable, the other provisions shall remain in full effect

Policy adopted this 17 day of SEPTEMBER, 2007 by Resolution of the Executive Board of 1747 Washington Homeowners' Association, Inc.

1747 Washington Homeowners' Association, Inc.

By  _____

Its President _____

**PROCEDURES FOR ADOPTION AND AMENDMENT
OF
POLICIES, PROCEDURES, AND RULES**
Adopted: January 1, 2006
Amended: September 13, 2007

The following procedures were adopted by the Executive Board (the "Board") of 1747 Washington Homeowners' Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board

RECITALS:

- A. Colorado Revised Statute ("C.R.S.") § 38-33.3-209.5(1)(b)(VII) requires the Association to adopt procedures for the adoption and amendment of policies, procedures, and rules.
- B. C.R.S. § 38-33.3-302(1)(a) authorizes the Association to adopt and amend bylaws, rules, and regulations.
- C. Article II, Section 2.2 of the Association's Bylaws authorizes the Board of Directors to administer the affairs of the Association.

THEREFORE, IT IS RESOLVED THAT the following procedures shall apply to the Association's policy, procedure and rule making authority:

- 1. The Board in its sole discretion shall determine if there is an issue affecting the Community for which a policy, procedure, or rule or the amendment of a policy, procedure or rule would be beneficial.
- 2. The Board will investigate and discuss the reasonable approaches to address the issue affecting the Community.
- 3. Pursuant to C.R.S. § 7-128-401(2)(b), the Board may rely on opinions, information, or statements of its experts in investigating reasonable approaches to address the issue(s) affecting the Community.
- 4. For purposes of this procedure, the Board will take reasonable steps to avoid adopting a policy, procedure, or rule that is contrary to federal, state, or local law or the Association's Articles of Incorporation, Bylaws, or Declaration, and to exercise reasonable care to balance the Association's interests with the interests of the individual Owners in the Community.
- 5. Once the Board has investigated the issue and discussed the reasonable approaches to address the issue, the Board shall provide notice to the Owners of the issue and the proposal(s) to address the issue by policy, procedure, or rule at least three days before the proposed action is taken. The Board shall invite comment of the

Owners, orally or in writing before the scheduled time of any meeting to vote on the proposal.

6. The Board having determined that an issue affects the community for which the adoption of a policy, procedure, or rule or the amendment of an existing policy, procedure or rule would be beneficial, and discussed reasonable approaches to address the issue, may adopt or amend such policy, procedure, or rule in the discretion of the Board, by Resolution.

7. The policy, procedure, or rule or an amended policy, procedure, or rule shall be effective 15 days after delivery of written notice of adoption or amendment of the policy, procedure, or rule to the Owners accompanied by a copy of such newly adopted or amended policy, procedure or rule, via U S Mail, postage prepaid, addressed in the name of each Owner at each Owner's property in the Community, unless the Owner has requested in writing or, as otherwise is required by the governing documents of the Association, that the Association use another address.

Procedure adopted by Resolution of the Executive Board of 1747 Washington Homeowners' Association, Inc.

1747 Washington Homeowners' Association, Inc.

By  _____

Its President _____

ENFORCEMENT PROCEDURE

Adopted: January 1, 2006

Amended: September 13, 2007

The following enforcement procedures were adopted by resolution of the Executive Board (the "Board") of 1747 Washington Homeowners' Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

- A. Pursuant to Colorado Revised Statute ("C.R.S.") § 38-33.3-209.5 (1)(b)(IV) the Association is required to adopt a policy concerning the enforcement of the Association's governing documents
- B. C.R.S. § 38-33.3-302(1)(k) allows the Association to levy reasonable fines for violations of the declaration, bylaws, and rules and regulations ("the Governing Documents") provided notice and an opportunity to be heard is given to the Owner prior to the fine being imposed.
- C. C.R.S. § 38-33.3-302(1)(d) authorizes the Association to institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Common Interest Community. In the event the Association prevails with its claim C.R.S. § 38-33.3-123 allows the Association to seek reimbursement of its reasonable attorney fees and costs
- D. For the benefit and protection of the Association and the Owners, the Board deems it desirable to establish and operate by procedures to insure due process in cases where an Owner or tenant, their family members, their guests or invitees are alleged to have violated provisions of the Governing Documents.

THEREFORE, IT IS RESOLVED:

That the following procedures shall apply to a violation of the Declaration, Bylaws, or the Rules and Regulations. However, this resolution shall not apply to those sections of the Declaration and Bylaws concerning payment and collection of assessments.

1. Informal Resolution of Violation

Any Owner, Owner's tenant, or agent of the Association may directly request that an Owner or resident cease or correct any act or omission, which appears to be in violation of the Governing Documents. It is the preference of the Board that residents of the community attempt informal resolution prior to seeking formal resolution.

In the event the perceived violation is also a violation of Federal, state, or local laws or regulations, the Board may request that the complaining resident contact the appropriate government entity to report the perceived violation.

In some cases the Association may be more reluctant to institute litigation than is the complaining Owner. The Association would like this opportunity to advise the Owners that any person subject to the Declaration and the Colorado Common Interest Ownership Act may institute legal or equitable proceedings to enjoin violations of the Declaration or the Act, and if successful, the complaining party is entitled to seek reimbursement of their reasonable attorney fees and costs

2. Mediation

The Association encourages residents of the community to mediate with their neighbors on issues that impact the party's involved but not necessarily other Owners of the community. The Association may use mediation as a tool to address complaints alleging violations of the Association's governing documents, the decision of whether or not to employ mediation will be within the reasonable discretion of the Board.

3. Formal Resolution of the Violation

A. The Board or its managing agent may initiate Formal Resolution of violations upon observation of a violation, no written notice of violation is necessary

B Residents of the Association may initiate Formal Resolution of violations by filing a written notice of violation with the Association via mail or hand delivery to the Board, in care of the Association's management company. Said notice of violation must clearly indicate the specific nature of the violation, the date, time and location of the violation, the witnesses of the alleged violation, and the name(s) or Unit number of the violator(s). At this time, the name of the Owner(s) or resident(s) filing the complaint will not be divulged to persons other than the Board and its agents.

C. If within the discretion of the Board, the written notice does not allege facts necessary to constitute a violation, the complainant will be notified in writing as to why no action was taken. The complainant may request a reconsideration of the complaint at a subsequent meeting of the Board. The complainant is required to attend this meeting.

D. If the Board, having reviewed the allegations contained in the notice believes a violation of the Association's governing documents has occurred, the person charged with the violation, or the Owner, if the person charged is a tenant, family member, guest, or invitee, will be notified in writing that a complaint has been made citing the nature, date, time and location of the violation. The person charged shall have twenty (20) days from the receipt of this notification to request a hearing with the Board. Failure to respond to such notification will be construed as an admission of the violation, at which point the Board may levy a reasonable fine against the Owner(s) for the alleged violation.

E. If the person charged with a violation responds with a request for a hearing, a hearing shall be set and written notice of the date, time and place of hearing, together

with a copy of the hearing procedures shall be provided to the person charged with the violation.

F. The hearing procedures shall be as follows:

1. The Board, through its Chair, shall direct the proceedings at the hearing. The person charged, the person's designated representative, the other Owners or residents may speak only after being recognized by the Chair.

2. The Chair will describe the specific provision of the declaration or rule or regulation, which is said to have been violated, including the date and place, or read the written complaint to the person charged.

3. The person charged shall be asked to admit or deny the charge. The person charged may speak for himself or may be represented by counsel throughout the hearing. Failure to respond or attend the hearing will be construed as an admission of the alleged violation.

4. If the charge is denied, the complaining witness or other witness having personal knowledge of the facts supporting the alleged violation shall be required to describe the details and circumstances giving rise to the violation of the Governing Documents at the hearing.

5. The person charged shall have the opportunity to confront each witness who testified against him, and offer a defense to the actions or omissions giving rise to the alleged violation of the Association's Governing Documents.

6. When all complaining witnesses have been heard, the person charged may make statements in rebuttal, and may provide witnesses in support of that position. The Chair may ask questions of each such witness in turn.

7. The Board shall have the opportunity to question any witness or involved parties if it so desires.

8. At the conclusion of the hearing, the Board shall discuss the statements and vote whether or not the person charged violated the provisions of the Association's Governing Documents. A majority vote shall control. The result of the vote shall be recorded in the minutes of the meeting, and announced to the person charged and the party or parties who filed the Complaint.

9. If the Board levies a fine, the Board shall provide written notice to the Owner of the fine and the date payment of the fine is due. In the event the Owner fails to pay the fine in accordance with the notification, appropriate legal action may be initiated by the Board to collect the fine.

10. The Board must use reasonable discretion in levying fines in accordance with the severity of the violation. The following is a schedule of the presumptive fine range for ordinary violations of the Governing Documents:

First Violation	a warning letter
Second Violation	up to \$50.00
Third Violation	up to \$100.00
Fourth and Subsequent	up to \$500.00

4. Miscellaneous Provisions:

Person charged shall include the Owner of real property subject to the Association's Governing Documents whether it is a natural person or a legal entity

Continuing violations shall constitute a separate violation for each 24-hour period the violation exists.

Fines for violations of the Governing Documents will be imposed against the Owner and the real property subject to the Declaration

Any and all money collected from such fines may be deposited in the Association's general operating fund


In the event the violation is of a continuing nature or if the violation constitutes a threat to the health, safety, or welfare of the residents or the property within the community, the Association acting through the Board may institute an action in a court of competent jurisdiction seeking injunctive relief to abate the violation without proceeding through procedures set forth in 3(D), 3(E), or 3(F) above. Nothing in this paragraph constitutes an election of remedies nor precludes the Board from levying fines as set forth above while at the same time seeking injunctive relief for violations of a continuing nature or violations that affect the health, safety, or welfare of the residents or the property.

In the event it is determined the Association was the prevailing party in the suit the Association shall be entitled to seek reimbursement of its costs including reasonable attorney fees, court costs, and other legal costs; conversely, if it is determined the Owner was the prevailing party, the Owner shall be entitled to reimbursement of the same expenses and costs.

In the event a Court of competent jurisdiction finds a provision of this Enforcement Policy void or otherwise unenforceable, the other provisions shall remain in full effect.

Procedure adopted this 17 day of SEPTEMBER, 2007 by Resolution of the Executive Board of 1747 Washington Homeowners' Association, Inc.

1747 Washington Homeowners Association, Inc.

By  _____

Its President _____

Notice of Violation

Date: _____

Your Name: _____

Your Address: _____

Your Telephone Number: _____

Your E-mail address: _____

Information regarding incident(s): (Please include as much information as possible)

Name of person committing the alleged violation:

Address of person committing the alleged violation:

Date(s) of alleged incident(s): _____

Please describe the incident(s) in as much detail as possible (use additional sheet(s) if necessary):

What statutes, covenants, or other rules were violated (please identify specific sections):

Did anyone else witness these incidents?: _____?

If the answer is "Yes," please state the witnesses' names, addresses and telephone numbers: _____

Please sign below:

Date

Please send completed form to:

**1747 Washington Homeowners' Association, Inc.
c/o Western States Property Services
10020 E. Girard Avenue #175
Denver, CO 80231
Fax: 303-745-3335**

Notice of Complaint

Date: _____

Name: _____

Address: _____

City/State/Zip: _____

Re: Alleged Violation

Dear _____:

The following information has been brought to the attention of the Board of Directors:

Information regarding alleged incident(s)

Date(s) of alleged incident(s):

If true, the alleged incident(s) violate the following statutes, covenants, bylaws, rules, regulations, policies, or procedures (include citations to specific provisions):

Pursuant to Colorado Revised Statute § 38-33.3-302(1)(k) and the Association's Enforcement Procedure this letter shall serve as written notice of the alleged violation of the provisions mentioned above. Violation(s) of the/these provision(s) may subject the Owner of real property within the community to fines, which may also result in a lien against the real property subject to Colorado Revised Statute § 38-33.3-316.

This letter shall also serve to allow you an opportunity to be heard with regard to the alleged violation(s) prior to the Board considering fines for the alleged violation(s).

In order to be heard by the Board, you must respond to this notice of Complaint within 20 days of the date of this Notice of Complaint by completing, signing, and returning this form as set forth below.

The information regarding the alleged incident(s) is not accurate or the alleged incident(s) should not be a violation of the cited authority because:

(Use additional sheets of paper if necessary)

Please sign below:

Date

Please send completed form to:

1747 Washington Homeowners' Association, Inc.
c/o Western States Property Services
10020 E. Girard Avenue #175
Denver, CO 80231
Fax: 303-745-3335

You will be contacted in writing to be advised of the date, time, and location for the hearing, or in the alternative that no hearing is necessary and no fine will be imposed.

RECORDS INSPECTION POLICY

Adopted: January 1, 2006

Amended: September 13, 2007

The following procedures were adopted by the Executive Board (the "Board") of 1747 Washington Homeowners' Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board

RECITALS:

A. Colorado Revised Statute § 38-33.3-209 5(1)(b)(V) provides that the Association shall adopt a policy for Owners to inspect and copy the Association's records.

B. The intent of this policy is to generally define the types of records the Association maintains, define the costs of copies, and provide a general procedure for the Owners to inspect and copy records; it is not the intent to limit Owner's statutory remedies for record inspection.

THEREFORE, IT IS RESOLVED THAT:

The following policy shall apply to the inspection and copying of the Association's records.

1. Types of Records

a The Association's Statutory Records shall consist of:

- 1) Financial records sufficiently detailed to enable the Association to establish the amount of unpaid assessments, late fees, interest, fines and other legal charges for each Unit subject to the Declaration;
- 2) Minutes of meetings of the membership and minutes of meetings of the Board and committees of the Board as well as records of all actions taken by the Owners or the Board by written ballot or written consent in lieu of a meeting and any waivers of notice of meetings of the Owners, the Board or committees of the Board; and
- 3) Records of the name and address of each Owner within the Community as well as each Owner's voting power as established by the Declaration.

b. In addition to the Statutory Records, the Association shall maintain a copy of each of the following at its principal office:

- 1) Articles of Incorporation;
- 2) Bylaws;

- 3) Declaration including Covenants;
- 4) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and objections of Owners of the Common Interest Community,
- 5) Minutes of all Owner's meetings, and records of all actions taken by the Owners without a meeting, for the past three years
- 6) All written communication within the past three years to Owners generally as Owners,
- 7) A list of the names and business or home addresses of its current Board members and officers; and
- 8) A copy of its most recent annual report and financial statements, audits and review for periods ending during the last three years

2. Inspection Request

An Owner, or a designated representative, is entitled to inspect and copy the Association's records during regular business hours at the Association's principal office or the office of its managing agent or during the next regularly scheduled Owner or Board meeting occurring within 30 days of the Owner's request, at the discretion of the Board, provided the Owner delivers written notice to the Association at least five business days prior to the date the Owner wishes to inspect and copy the records. Further, if the Owner seeks to inspect or copy the statutory records, the Owner must:

- a describe with reasonable particularity the records the Owner wants to review; and
- b describe with reasonable particularity the purpose the Owner has to want to review the statutory records.

3. Approval to Inspect Records

It is within the reasonable discretion of the Board, or an agent designated by the Board, to determine if the Owner's written notice to inspect the Association's records is made in good faith and for a proper purpose. In determining whether records may be inspected, or copied, the Board or its agent shall consider among other things:

- a Whether the written notice is made, in good faith, to ascertain the condition of the Association,
- b Whether the inspection is for an illegal, or improper purpose, or for a purpose other than that stated in the written notice;
- c Whether the Owner or the representative has improperly used information secured through a previous inspection of records;

- d. Whether disclosure would violate a constitutional provision, a statutory provision, a Court Order, or public policy;
- e. Whether disclosure may result in an invasion of personal privacy, breach of confidence or privileged information;
- f. Whether disclosure would unreasonably interfere with or improperly disrupt the operation of the Association; and
- g. Whether inspection results in private harm or damage that outweighs the right to access

In the event the Board, or its agent, determines the Owner's request is not consistent with the standards set forth above, or is not specific with respect to the particular records requested or the particular purpose for which the records are requested, the Owner shall be given written notice of the defects of his written request as soon as practical

4. Limitations on the use of the Association's Records

Without the consent of the Board, Association records, including membership lists or any part thereof, shall not be obtained or used by any person for:

- a. Any purpose unrelated to an Owner's interest as an Owner;
- 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.

5. Miscellaneous Provisions

The Owner's request should be made on the Association's Notice of Intent to Inspect and Copy Association Records form, but in any event, the request to inspect and copy the statutory records must be made in good faith for a purpose and the records requested must directly relate to the particular purpose described as well as the Owner's interest.

The Association shall make the requested records available within five business days of the Owner's request or at the next regularly scheduled Owner or Board meeting if the next regularly scheduled Owner or Board meeting is scheduled within thirty days of the Owner's request, in the sole discretion of the Board. The Board shall advise the Owner of the time and place of such inspection in writing within five business days of the Owner's request.

The Association may charge and collect a fee in advance for the estimated amount to copy the records not to exceed the Association's actual cost per page, including services to prepare the records for review, to oversee the Owner's inspection, and to prepare the requested copies of the Association's records. In the event an Owner's request will result in review and/or copying of voluminous documents, the Association may break the inspection into several sessions to reasonably accommodate the staff at its principal office.

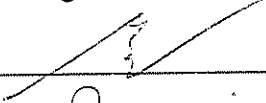
Absent a court order from a Court of competent jurisdiction, the Owner shall not be authorized to inspect or copy any confidential communication including but not limited to: a) documents subject to the attorney/client privilege; b) documents subject to privilege imposed by Federal or state law, or by court order; and c) documents that contain information that if disclosed would constitute an invasion of personal privacy (examples include, but are not limited to social security numbers, medical evaluations, employment information, personal bank account or personal financial information)

Careful scrutiny will be employed by the Board for requests to review records pertaining to other Owners' accounts with the Association

In the event a Court of competent jurisdiction finds a provision of this Records Inspection Policy void or otherwise unenforceable, the other provisions shall remain in full effect

Policy adopted this 13 day of SEPTEMBER, 2007 by Resolution of the Executive Board of 1747 Washington Homeowners' Association, Inc

1747 Washington Homeowners' Association, Inc

By 
Its President

NOTICE OF INTENT INSPECT ASSOCIATION RECORDS

This Notice of Intent to Inspect Association Records shall be completed pursuant to the Resolution, Records Policy for Inspection of Records, adopted by the Executive Board of the 1747 Washington Homeowners' Association, Inc. on January 1, 2006 and amended on September 13, 2007.

Date of this Request: _____, 200__

Date you or your agent wish to review the records: _____, 200__

Person(s) requesting the review of the Association's records: _____

Person(s) who will be present for the review of the Association's records: _____

Please note that all costs of inspection and any authorized copies must be paid in advance by the person requesting them.

Specify with particularity the records requested for this review. Please include type of record, date of record, any specifics that will identify the information you seek to review.

<u>Record</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

Please indicate those records for which you request copies.

<u>Record</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

Please state with particularity the purpose you wish to review each of the records described above including how that purpose relates to your interest as an Owner of the Association. Attach an additional sheet if additional space is necessary.

Name: _____
Date: _____
Address: _____
Authorized by: _____

RESERVE POLICY
Adopted January 1, 2006
Amended September 13, 2007

The following policy was adopted by the Executive Board (the "Board") of 1747 Washington Homeowners' Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

A. Colorado Revised Statute ("C.R.S.") § 38-33.3-209 5(1)(b)(vi) provides that Colorado Common Interest Communities shall adopt a policy concerning investment of reserve funds.

B. C.R.S. § 38-33.3-303(2)(b) provides that Owners elected to the Board by the Owners will be liable for wanton or willful actions or omissions.

C. C.R.S. § 7-128-401(2)(b) allows the members of the Board to rely on information, opinions, or statements if presented by legal counsel, public accountant or other person as to matters the Board reasonably believes are within such persons expert competence in discharging their duties.

D. The Colorado Courts have applied the Business Judgment Rule in their review of actions taken by boards of Colorado nonprofit corporations

E. Without waiving the statutory duty of care applicable to members of the Board elected by Owners, other than the Declarant, the Board would like to implement elements of the Business Judgment Rule with respect to the investment of the Association's reserve funds.

THEREFORE, IT IS RESOLVED.

1. The Board and officers shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Board member or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.

2. The Board shall reasonably investigate the options available for investment of some or all the reserve funds; emphasis will be placed on the preservation of principal

3. The Board shall discuss the results of the investigation and the options for investment, which meet the Association's goals for safety and income potential


4. In the event the Board lacks experience in the investment options being considered to evaluate the safety and income potential, the Board may consider the

opinions of its legal counsel, its public accountant, or such other person as the Board reasonably believes has the expertise to provide such opinion, provided that such other person will not directly benefit from the investment and that person is insured against errors and omissions.

5. Upon the conclusion of the investigation, the discussion, and review and consideration of the opinions of experts (if necessary) the Board shall vote on how the reserve funds will be invested or reinvested and a majority vote of the quorum shall control.

Policy adopted this 17 day of SEPTEMBER, 2007 by Resolution of the Executive Board of 1747 Washington Homeowners' Association, Inc

1747 Washington Homeowners' Association, Inc

By 

Its President

CONFLICTS OF INTEREST POLICY
Adopted January 1, 2006
Amended September 13, 2007

The following policy was adopted by the Executive Board (the "Board") of 1747 Washington Homeowners' Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board

RECITALS

WHEREAS, Colorado law requires that associations adopt a policy pertaining to conflicts of interest of Board members and officers of the Association; and

WHEREAS, the Association has adopted a conflict of interest policy to incorporate provisions of Senate Bill 100 effective January 1, 2006, into the Association's conflicts of interest policies and procedures; and

WHEREAS, Senate Bill 89 amended the conflict of interest provisions of the Colorado Common Interest Ownership Act effective May 26, 2006; and

WHEREAS, the Association desires to establish reasonable policies and procedures for addressing conflicts of interest with respect to members of the Board and officers

NOW THEREFORE, BE IT RESOLVED, that the Association adopts the following Conflicts of Interest Policy:

Article I
Purpose

The purpose of the conflict of interest policy is to protect the interest of the Association when the Association is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or member of the Board of the Association, might result in a possible excess benefit transaction, or might be contrary to applicable Colorado law or public policy applicable to homeowners associations. This policy is intended to supplement but not replace any applicable state and federal law that governs conflicts of interest applicable to nonprofit organizations.

Article II
Definitions

1. **Interested Person**

Any member of the Board, principal officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Association has a transaction or arrangement,
- b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or,
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not substantial

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists

Notwithstanding the above, if any contract, decision, or other action taken by or on behalf of the Board, whether or not such contract, decision, or other action is required to be approved by the Board or may be approved by the manager or by a staff member authorized by the Board to enter into or make any such contract, decision, or to take such other action, would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board or a parent or spouse of any of those persons, that member of the Board shall declare a conflict of interest for that issue

Article III Procedures

1 Duty to Disclose

In connection with any actual or possible conflict of interest an interested person must disclose the existence of the financial interest in an open meeting prior to any discussion or action on that issue and be given the opportunity to disclose all material facts to the Board and members of the committees with Board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested members of the Board whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- e. An interested member of the Board shall not vote on any issue in which said member of the Board has an interest.

4. Violations of the Conflicts of Interest Policy

If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the Board or committee member's response and after making further investigation as warranted by the circumstances, the Board or committee determines that the Board or committee member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action,

including, but not limited to seeking restitution for damages resulting from the violation of this policy, including all costs and attorneys fees incurred in obtaining said restitution.

5. Colorado Law

- a. Loans. The Association shall make no loans to its officers or members of the Board. Any member of the Board or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan and any costs or attorneys fees incurred by the Association to collect the loan until repayment thereof
- b. Compliance with Colorado Law. Notwithstanding any other provisions herein, the Association shall follow all of the requirements of C.R.S. § 7-128-501 and C.R.S. § 38-33 3-310.5 or any revisions or supplements thereto.
- c. Conflicting Interest Transactions Not Voidable. Notwithstanding any other provisions herein, no conflicting interest transaction shall be voidable by a member or on behalf of the Association if:

- (1) The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested members of the Board, even if less than a quorum, in good faith approves the conflicting interest transaction;

- (2) The facts about the conflicting interest transaction are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or

- (3) The conflicting interest transaction is fair to the Association.

For purposes of this paragraph 5. c, "conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a member of the Board, or between the Association and a party related to a member of the Board, or between the Association and an entity in which a member of the Board of the Association is a director or officer or has a financial interest, "member of the Board" means a member of the Association's Executive Board and "Party related to a member of the Board" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the member of the Board or a party related to a member of the Board has a beneficial interest, or an entity in which a party related to a member of the Board is a director or officer or has a financial interest.

6. Exercise of Powers

- a. All members of the Board shall exercise their powers and duties in good faith and in the interest of, and with the utmost loyalty to the Association. All members of the Board shall comply with all lawful provisions of the Association's Declaration, Bylaws, Rules and Regulations and Policies and Procedures.
- b. In addition to the above, the following limitations are placed upon all members of the Board, principal officers, or members of a committee with Board delegated powers.
 - 1) Members of the Board, principal officers, or members of a committee with Board delegated powers shall not recommend or suggest to the Association or to any of its employees, the use of services or the purchase of products of another organization or business entity in which an Association member of the Board or officer has a direct or indirect interest,
 - 2) Members of the Board, principal officers, or members of a committee with Board delegated powers shall not use their office for personal gain, whether financial, political or otherwise;
 - 3) Members of the Board, principal officers, or members of a committee with Board delegated powers shall disclose any relationship that a member of the Board or family member has with any vendor, supplier, consultant or agent, etc., including serving as an unpaid officer, director, or consultant, as soon as the member of the Board becomes aware of the potential conflict of interest,
 - 4) Members of the Board, principal officers, or members of a committee with Board delegated powers shall disclose any relationship that a member of the Board or family member has with any vendor, supplier, consultant or agent, etc , that results in a member of the Board or family member receiving from that vendor, supplier, consultant or agent, etc , any type of direct or indirect compensation as soon as the member of the Board becomes aware of the potential conflict of interest; and
 - 5) Members of the Board, principal officers, or members of a committee with Board delegated powers shall not disclose information about the corporation's legitimate activities unless they are already known by the public or are of public record.

Article IV
Records of Proceedings

The minutes of the Board and all committees with Board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial or other interest in connection with an actual or possible conflict of interest, the nature of the financial or other interest, any action taken to determine whether a conflict of interest was present, and the Board or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V
Compensation

A voting member of the Board who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Definitions

Unless otherwise defined in this Resolution, capitalized terms or terms defined in the Declaration shall have the same meaning herein as set forth in the Declaration.

Article VII
Supplement

The provisions of this Resolution shall be in addition to and shall supplement the terms and provisions of the Declaration, the Bylaws, and the laws of the State of Colorado governing the Association.

Article VIII
Deviations

The Board may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is necessary under the circumstances.

Article IX
Amendment

The Board may amend this policy from time to time

Policy adopted this 17 day of SEPTEMBER, 2007 by Resolution of the Executive Board of 1747 Washington Homeowners' Association, Inc.

1747 Washington Homeowners' Association, Inc.

By 

Its President