

# **WILLOW CREEK III**

## **POLICIES HANDBOOK**

**REVISED SEPTEMBER, 2013  
AMENDED PER C.R.S. FOR 2014**

**Willow Creek Homeowners Association No. 3**  
Rules & Regulations / Policies

**Table of Contents**

Air Conditioning Unit Policy-----	Pg 1
Basketball Backboard Policy-----	Pg 1
Cable Placement Policy-----	Pg 2
Common Grounds Use Restriction Policy-----	Pg 2
Garage Doors Replacement Policy-----	Pg 3
Grading and Drainage Policy-----	Pg 4
Improper Storage of Items Policy-----	Pg 4
Painting Policy-----	Pg 5
Parking Policy-----	Pg 7
Radon Exhaust Pipe Placement Policy-----	Pg 8
Restricted Vehicle Policy-----	Pg 9
Satellite Dish Policy-----	Pg 12
Seasonal Decoration-----	Pg 13
Signs Policy-----	Pg 13
Single Family Home Roof Replacement-----	Pg 13
Structures Policy-----	Pg 14
Towing of Vehicles Policy-----	Pg 15
Townhouse Roof Replacement Policy-----	Pg 17
Trash Policy-----	Pg 18
Window/Door Replacement Policy-----	Pg 20
SB 05-100 Required Policies	
Adoption & Amendment of Policies, Procedures & Rules Policy-----	Pg 21
Collection Policy-----	Pg 23
Conduct of Meetings Policy-----	Pg 27
Director Conflict of Interest Policy-----	Pg 30
Enforcement Policy-----	Pg 32
Inspection & Copying of Association Records Policy-----	Pg 36
Investment of Reserve Funds Policy-----	Pg 39
Governance Policy Concerning Reserve Studies-----	Pg 41
Policy Regarding Alternative Dispute-----	Pg 42
Adoption of Policies-----	Pg 44

**General Policies**

The ACC may approve any application in spite of the opinions of adjacent landowners and /or members, but the ACC is not required to consider said opinions and comments as a factor in their determination of the application. In no event, however, shall the ACC approve an application, which is not in accord with the standards outlined in Article VIII, Section 2 of the Declarations. The ACC shall utilize the following definitions in applying the prohibitions of Article X of the Declarations and the regulatory standards of Article VIII of the Declarations, as appropriate. A request approved by the ACC must be completed within six (6) months or the owner must resubmit the request.

## **AIR CONDITIONER REPLACEMENT POLICY**

**Adopted – March 2011**

A/C units will be allowed in Townhomes and Single-family homes only if the following criteria are met:

1. Air conditioner compressors must be placed in the backyard of town homes and single-family homes. Exceptions may be made with ACC approval. If an exception is made, shrubbery must be placed to hide the compressor at the owner's expense.
2. Roof-mounted systems are not allowed.
3. Window A/C units locations must be approved by the ACC.

These rules apply to permanent or temporary systems.

Homeowners in violation of this policy will be notified per the procedures outlined in the Covenants.

If violators fail to take corrective action after thirty days, the committee will immediately take steps to enforce this policy and the Covenants as outlined in the General Policy on Enforcement of Covenants.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **BASKETBALL BACKBOARD REPLACEMENT POLICY**

**Adopted – March 2000**

Requests for installation of basketball backboards must be submitted in writing as required by the Covenants (Article VII, Section I).

Installation over garage: backboard must be painted in your house field or trim color.

Installation along side of driveway: pole color needs to be metal finish (gray), white or black.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **CABLE PLACEMENT POLICY FOR SINGLE-FAMILY & TOWNHOMES**

**Adopted – August 2010**

Cable placement from dish receivers or from in-ground providers (Such as Comcast,) may not be situated on the asphalt or shake roofing shingles. All cables must be placed below roofline. They may be attached to the trim boards that are contiguous to the roofing shingles.

Homeowners who wish to install a dish receiver must complete the appropriate "Request" form and submit it to the Architectural Control Committee via the Management Company. Forms for the requests are available on the Association's web site and in the *Willow Works* newsletter.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **COMMON GROUNDS USE RESTRICTIONS**

**Adopted – AUGUST 2006**

**Modified – February 2011**

The use of Willow Creek III Common areas and grounds is a benefit available to all homeowners. In order to keep the grounds in good condition the following rules will apply:

1. No camping of any kind will be allowed.
2. No motorized vehicles shall be allowed on the trails or grounds.
3. Animal waste must be picked up by the responsible party and removed from the common area and properly disposed. Violators are subject to being fined by Willow Creek III HOA and the City of Centennial per statute.
4. **Dogs must be leashed.**



## **GARAGE DOOR REPLACEMENT POLICY**

**Adopted – AUGUST 2006**

**Modified– FEBRUARY 2011**

### **GARAGE DOOR REPLACEMENT-- Townhomes**

Garage doors must be replaced with doors containing the same number of panels as original doors and of the same design.

No windows will be allowed.

Doors must be installed and painted the field color of the home within sixty (60) days.

Homeowners, who wish to replace their garage door or receive a notice to replace their garage door, must complete the appropriate "Request" form and submit it to the Architectural Control Committee via the management Company. Forms for requests are available on the association's website and in the Willow Works newsletter.

### **GARAGE DOOR REPLACEMENT - Single Family Homes**

Garage doors must be replaced with doors containing the same number of panels as original doors and of the same design.

Windows are allowed with ACC approval.

Doors must be installed and painted the field color of the home within sixty (60) days.

Homeowners, who wish to replace their garage door or receive a notice to replace their garage door, must complete the appropriate "Request" form and submit it to the Architectural Control Committee via the management Company. Forms for requests are available on the association's website and in the *Willow Works* newsletter.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **GRADING AND DRAINAGE POLICY**

### **Adopted – May 2011**

Townhome owners will maintain a positive drainage slope away from the front of their home's foundation of at least 5 degrees and for end units a slope of at least 5 degrees on the side of the unit, away from the foundation. In some situations this may not be feasible, in which case the ACC may approve a positive slope of a lesser value. In no circumstances will the ACC approve a negative slope or a zero slope. The townhome owner is responsible for the proper drainage on land that is within their property line.

Single-family homeowners are encouraged to maintain appropriate drainage. However, town homes are attached therefore all town homes are required to keep proper drainage as damage may extend beyond the townhome owners residence.

Townhome owners in violation of this policy will be notified per the procedures outlined in the Covenants.

If violators fail to take corrective action after sixty days, the Committee will immediately take steps to enforce this policy and the Covenants as outlined in the General Policy on Enforcement of Covenants.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **IMPROPER STORAGE OF ITEMS POLICY**

### **Adopted – March 2000**

Homeowners will be notified in writing if they are not complying with the Article X of the Covenants as it applies to storage of property.

Violators will be notified per the procedure outlined in the Covenants. If violators fail to take corrective action after thirty days, the committee will immediately take steps to enforce this policy and the Covenants according to the General Policy on Enforcement of Covenants.

## **PAINTING POLICY**

**Adopted – AUGUST 2006**

**Modified – FEBRUARY 2011**

### General Information:

The Architectural Control Committee shall conduct a community survey in early spring to determine which homes will receive a paint notice. A minimum of 3 members of the committee will review the neighborhood.

The intent of the inspection is to cite only those homes where the preponderance of the paint surface is in need of painting or will be in 6 months. A home is considered to be in need of painting when wear, chipping, fading, or flaking of its paint is easily visible from the street, from the greenbelt, or from neighboring homes.

Notices will be mailed on or near April 1st of each year. Per Article IX, Section 1, "Exterior Maintenance" of the covenants, 5 months will be allowed to finish painting.

Homeowners who receive a notice to paint must complete the appropriate "Request to Paint" form and submit it to the paint coordinator. Forms for single family and townhouse requests are on the association's web site, newsletter and are available from the paint coordinator.

**Pre-approved Single-Family** paint samples are available from the coordinator. A small refundable deposit is required. These are the only colors allowed. Should the home be painted with colors that do not match the approved request, the homeowner may be required to repaint.

All painting shall be done in a neat and professional manner.

Single family and townhouse front door colors or stain will be approved on a case-by-case basis.

Approval in writing is required even if repainting with the existing color. There will be no verbal approvals from anybody.

Townhome owners will be provided with the correct colors for their unit by address, as well as the brand of paint required since matching is critical.

Single-family homes may not paint the same color as the neighbor on either side of them, or directly across the street.

Garage doors must be painted the field color of the home.

Wiring for telephone, cable TV, or satellite dishes must be painted the field or trim color where the wiring runs. Thirty (30) days after installation is allowed to paint the cable.

House painting is to include roof vents, stand pipes, flashings, etc. and is to match the roof color, NOT the house color. New vents, furnace pipes, gutters, and radon mitigation systems must be painted the field or trim color as appropriate.

If painting is not completed within the 5 months allowed by covenants, fines will be assessed against the property per the current enforcement policy.

Voluntary paint request / approvals are valid for a period of 6 months.

A notice to paint is considered a violation of covenants (Ref: Article IX, Exterior Maintenance) and subject to fines as detailed in the current Enforcement Policy adopted by the Board of Directors on 12/17/05.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **PARKING POLICY**

### **Adopted – 1994**

The Association is the record owner of the common area within Willow Creek HOA No. 3 and is thereby empowered by the Declarations to maintain and administer the common property.

Article VII, Section 1 of the Bylaws provides that the Board of Directors has the power to adopt and publish rules and regulations governing the use of the common area and the conduct of the members and their guests.

The Board of Directors deems it necessary to protect, maintain and administer the common property, to adopt a rule and regulation governing the parking of vehicles on common property. Therefore the following rules are hereby adopted.

Parking of vehicles on common property.

- A. No parking shall be allowed in the grassy areas, nor shall any parked vehicle block the normal flow of traffic, sidewalks or other parking spaces. Vehicles of any sort may not be parked so that they interfere with the street cleaning or snow removal services.
- B. No vehicles shall be left standing in a parking space in a non-operative condition or unlicensed, nor shall there be any major repairs to vehicles done in a parking area.
- C. This rule is in addition to any other rule or regulation of Declaration or Bylaw provision regarding the parking or regulation of vehicles.
- D. Both owners and their tenants or guests are responsible for following the provisions of this parking rule, and owners are responsible for the compliance of their tenants or guests or the guests of their tenants.
- E. Penalties for the violation of a local ordinance may be enforced by the locality without regard to any remedies pursued by the Association. Vehicles parked in violation of these rules may be towed away at the vehicle owner's expense.
- F. If the Association is forced to take any action to abate the conduct the offender shall be liable for any and all costs, including but not limited to costs, expert witness fees, and attorney's fees incurred by the Association in connection with enforcement of this rule.
- G. Storage of any vehicle, camper, boat, etc. is prohibited on any association property.

## **RADON EXHAUST PIPE PLACEMENT POLICY**

**Adopted – April 2010**

Radon exhaust pipes may not be placed on the front of a townhome or single-family home. Radon pipes may not be placed on the side of single-family home that faces the street or on the side of a townhome that faces the street.

Exhaust piping must be painted the field color of the home within sixty days (60). Trim stripes must be added if appropriate.

Homeowners who wish to install a radon exhaust pipe must complete the appropriate "Request" form and submit it to the Architectural Control Committee via the Management Company. Forms for the requests are available on the association's web site and in the Willow Works newsletter.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **RESTRICTED VEHICLE POLICY**

### **Revised – JULY 2006**

The purpose of these guidelines is to enforce Covenant Article X, restricting parking of **Boats, Trailers, Trucks, Campers\* and Commercial** vehicles within the properties of Willow Creek 3.

- A. Restricted vehicles, within the Community, must be garaged.
- B. Trucks or commercial vehicles are allowed for the specific purpose of making pickups and deliveries to or in the properties. Parking of these vehicles is not allowed at any other time within any part of the Community.
- C. 'Within the community' includes private residences, common areas and streets within Willow Creek III. Streets within Willow Creek III include Phillips Circle and Mineral Avenue along the Park.
- D. \*Forty-eight (48) hours will be allowed for Willow Creek III Homeowners to load or unload their RV's in preparation for travel or storage off property. A minimum of 7 days shall pass between visits.

### **RESTRICTED VEHICLE POLICY ENFORCEMENT**

Enforcement procedure shall be as follows:

- Neighborhood will be canvassed at various times of day and night, on various days of the week to record Restricted Vehicle Violations.
1. Sightings of restricted vehicles will be reported to the property manager via e-mail, phone, or Fax machine. The information reported shall include a description of the vehicle, license plate information, address and date. Comments as to the status of the vehicle may be added, such as unlicensed vehicle, if that is the case.
  2. A 1st notice is in letterform and contains the information as reported to include date of sighting, license plate information and description of the vehicle.
  3. The fully completed 1st Notice, will be in the form of a warning and mailed to the homeowner along with a copy of this policy and a note

stating that any questions may be directed to WC III property manager.

4. A copy of the warning will be filed in the association member's file.

5. There will be a minimum of 7 days between the warning and a second notice, which includes a fine.

6. If a Vehicle Violation Sighting is recorded for this same homeowner and vehicle following a 1<sup>st</sup> notice (warning) then a second letter will be sent to the homeowner stating that a \$50.00 fine has been assessed against the property and that additional fines will be forthcoming if the homeowner continues to violate the covenants.

7. If a Vehicle Violation Sighting is recorded for this same homeowner and vehicle following the second letter (\$50.00 fine) then a third letter will be sent to the homeowner stating that a \$100.00 fine has been assessed against the property bringing the total fine to \$150.00 and that additional fines will be forthcoming if the homeowner continues to violate the covenants.

8. If a Vehicle Violation Sighting is recorded for this same homeowner and vehicle following the third letter (\$100.00 fine) then a forth letter will be sent to the homeowner stating that a \$200.00 fine has been assessed against the property bringing the total fine to \$350.00 and that additional fines will be forthcoming if the homeowner continues to violate the covenants.

9. If a Vehicle Violation Sighting is recorded for this same homeowner and vehicle following the forth letter (\$200.00 fine) then a fifth letter will be sent to the homeowner stating that a \$200.00 fine has been assessed against the property bringing the total fine to \$550.00 and that additional fines will be forthcoming if the homeowner continues to violate the covenants. Additional fines will be in increments of \$200.00.



- Continued violations shall be considered a separate violation for each 24-hour period that the violation continues. All fines assessed shall be collectible as assessments. Late charges and interest will apply.

Should the problem continue, the Board of Directors might, at its option, request a demand letter be sent from the association's attorney. Any legal cost will be assessed against the property in violation.

This policy conforms to the current HOA covenant enforcement policy and fine schedule approved by the Board of Directors on 12/17/05, and effective 1/1/06.

**DEFINITION OF TRUCK:** For the purpose of enforcing the Restricted Vehicle Policy, a vehicle is considered a truck under any of the following circumstances:

1. The vehicle is licensed as a truck or recreation-truck.
2. An out-of-state licensed vehicle that may or may not be licensed as a truck but would ordinarily be licensed as such in Colorado.
3. Any vehicle that has a non-truck license designation - for example, a special classification such as temporary, antique or collectors item, or any other designation where that vehicle would normally be classed as a truck or rec-truck.

### **Special Attention**

Unlicensed or non-running vehicles, trailers, boats, campers, etc. parked on Association property are **subject** to towing, the owner being responsible for all charges, fees, storage, etc. (Refer to the current parking and towing policies, Authority, Board of Directors, Resolution to by laws, June 9, 1994.) A 24-hour notice will be placed on the vehicle.

Unlicensed or non-running vehicles on the street or on private property other than Association property will be referred to the City Of Centennial, Code Enforcement, or Arapahoe County Sheriff's department.

Homeowners are responsible for the violation of the Restricted Vehicle Policy by their tenants and visitors.

## **SATELLITE DISH POLICY**

**Adopted – March 2000 Amended – August 2010**

Satellite dishes will be allowed in Townhome and single-family homes only if the following criteria are met:

1. Installation of a satellite dish that is one meter or less in diameter and is designed to (1) receive direct satellite service, including direct-to-home satellite services (e.g. Dish Network, Primestar, Direct TV) or designated to (2) receive video signals (your typical old fashioned TV antenna) is permitted within the owner's lot if the owner and/or resident complies with the following guidelines:

- a. Each owner and/or resident who installs a satellite dish must place that satellite dish inside the fenced property. Satellite dishes may not be placed on the roof unless this is the only location in which a signal can be received.

- b. Satellite dishes may not be placed on the side of the home facing the street or on the side of a townhome that has a main entrance (Front door).

2. If an owner and/or resident cannot obtain an acceptable quality signal from a location other than the roof the owner must, prior to installing the satellite dish or antenna, submit to the ACC a statement from the installation company or contractor verifying that reception cannot be obtained from any other location within the fenced property. The owner and/or resident must also submit a proposed location for the installation of the satellite dish. The Association must approve or disapprove this request within seven (7) days upon receipt of the request.

3. Cable placement from dish receivers or from an in-ground provider (Such as Comcast) may not be situated on the asphalt or shake roofing shingles. All cables must be placed below roofline. They may be attached to the trim boards that are contiguous to the roofing shingles. The only exception to this is if a satellite dish has prior approval to be mounted on the roof, in which case the cable is to be run to the nearest roof edge and then routed below the roofline.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **SEASONAL DECORATIONS**

**Adopted – May 2006**

Prior approval is not required if installed in keeping with neighborhood standards.

Displays must conform to Article IX, being neat and attractive.

Displays must conform to Article X, which requires that any exterior lighting installed on any lot shall either be indirect, or of such controlled focus and intensity as not to disturb the residents of the adjacent property.

Decorations may be put up no more than 30 days in advance of a holiday and must be removed within 30 days after the holiday.

The installation of seasonal decorations on any common property owned by the association must have written approval.

## **SIGNS POLICY**

**Adopted – March 2000**

**Modified – February 2011**

In addition to the provisions in the covenants, real estate signs **may not** be hung from any fences.

No signs maybe posted on the common property without ACC approval.

In the townhome area signs may be posted between the sidewalk and the townhome for an appropriate length of time. This is where Real Estate signs need to be posted.

## **SINGLE-FAMILY HOME ROOF REPLACEMENT POLICY**

**Adopted – March 2000**

Replacement roofing in the Willow Creek #3 community must be the standard or dimensional asphalt/composition material with a sample of the colored roofing being presented to the ACC for approval before installation. The ACC has a variety of approved colors/manufactures for homeowner selection.

**ALL REQUESTS AND APPROVALS MUST BE IN WRITING.**

## **STRUCTURES POLICY**

**Adopted – March 2000**

- A. As used in Article X of the Declaration means any construction or any production or piece of work artificially built up or composed of parts joined together in some definite manner of a temporary nature used during the construction of the principal residence on, above or below the surface of any lot in the project, including but not limited to such structures as a house trailer, a temporary house or non-permanent outbuilding. Structures as described herein are only allowed during construction and are prohibited at all other times and under all other circumstances.
- B. As used in Article VIII of the Declaration means any construction or any production or piece of work artificially built up or composed of parts joined together in some definite manner of a permanent nature used in conjunction with or accessory to the principal residence on, above or below the surface of any lot in the project, including but not limited to, such structures as an accessory building, garage, tool shed, playground equipment or other improvement of similar nature.
- C. All structures within the project are under the jurisdiction of the ACC and subject to the prohibitions and regulatory requirements enforced by the ACC. The ACC shall determine what is and is not a "structure" and, if determined to be a "structure", which definition that structure falls under as provided in (a) and (b) above shall be determined by the ACC and that determination shall be final for purposes of enforcement.
- D. Plans for the principal residence and any separate garage or accessory building are required to be submitted to the ACC for approval. Plans for any other structure as defined under (b) above may be submitted for approval by a member; anything erected or built or coming within the project which is determined by the ACC to be a "structure", and for which no plans have been submitted or approved by the ACC, may be subject to removal or destruction.

**\*\* Play structures are included in this policy and must require ACC approval.**

## **TOWING OF VEHICLES POLICY**

### **Adopted – 1994**

The Association is the record owner of the common area within Willow Creek HOA #3 and is thereby empowered by the Declaration to maintain and administer the common Property.

Article X of the Declaration contains provisions regarding the use of the common area including paragraph 9 regarding the parking of certain vehicles on the property. Article VIII, Section 1 of the By-Laws provides that the Board of Directors has the power to adopt and publish rules and regulation governing the use of the common area and the conduct of the members of their guests.

### **Parking of all vehicles on the property-**

The Board of Directors deems it necessary to protect, maintain and administer the common property, to adopt a rule and regulation governing the towing of vehicles parked or maintained on common property in violation of the Rules, Regulations, Bylaws and the Declaration.

Therefore the following rules are hereby adopted:

- A. Vehicles parked in violation of the Rules & Regulations, Declaration or Bylaws of the Willow Creek HOA #3 will be towed at the vehicles owner's expense. Such towing shall not preclude other action by the Association including but not limited to any other enforcement method adopted by the Association, or any legal or equitable action.
- B. Vehicles parked in violation of the Rules & Regulations, Declaration or Bylaws of the Willow Creek HOA #3, where sign on the premises posts notice of the rule or provision, may be towed forthwith, without further notice to the owner of the vehicle. The managing agent, or any member of the Board of Directors may institute such towing.
- C. Vehicles parked in violation of the Rules & Regulations, Declaration or Bylaws of the Willow Creek HOA #3, where the specific rule or provision is not posted on the premises, will be towed at the vehicle owner's expense upon completion of notice as provided herein. At least twenty-four (24) hours prior to towing, notice of the violation and that the vehicle will be towed, shall be placed on the vehicle. If the Association knows the name and address of the vehicle owner, a copy of the notice shall also be hand delivered to the owner,

or posted on the door of the unit belonging to the owner, or placed in the mailbox of the owner, at the determination of the Association. Towing shall not occur if the owner corrects the violation. However, if the same violation by the same vehicle occurs within one year from the date of the first violation, towing may take place without further notice to the vehicle owner.

- D. If the Association is forced to take any action for the violation of any of the Rules & Regulations, Declaration of Bylaw provisions regarding the parking and maintaining of vehicles than the offender and unit owner shall be subject to liability for any and all costs in connection with the action, including but not limited to costs, expert witness fees, and attorney's fees incurred by the Association.

## **TOWNHOUSE ROOF REPLACEMENT POLICY**

**Adopted – May 11, 2006    Modified – December 2009**

1. The use of Certainteed Landmark TL material, color Shenandoah only, as previously approved by prior roof committees, the ACC, and past Board of Directors.
2. Repair of existing wood shake roofs is allowed until they are unserviceable.
3. Replacement shall be with Certainteed Landmark TL only. Any unit with roof detached from any other unit may replace their roof with ACC approval, using approved materials as noted in 1 & 3.
4. Interior units with roofs attached to a neighbor's roof should replace those roofs all at the same time with ACC approval. \*

Article VII of our covenants (party walls) shall be honored and followed in order to protect the value and structural integrity of all units involved.

Individual townhouse owners are responsible for any and all engineering, pricing, strip off, clean up and the proper installation in a neat and attractive manner.

5. The ACC has the right to inspect and send notice to repair or replace damaged or unsightly roofs.

\*In the event the entire connected roofs cannot be re-roofed at the same time, individual roofs may be replaced per the City of Centennial Building Code requirements and ACC approval. All permit & requirements costs are the requestor's responsibility. Should a physical barrier be required by the "City Building Codes" said barrier "must" be removed when the existing adjoining shake shingle roof(s) are converted from shake shingle to composite shingle. Costs of installing and removing the physical barrier & interweaving of composite shingles to restore the contiguous rooflines are the responsibility of the owner who is replacing their shake roof. Adjoining roofs will be reroofed using same materials. Article VII of our covenants (party walls) shall be honored and followed in order to protect the value and structural integrity of all units involved. Individual townhouse owners are responsible for any and all engineering, pricing, strip off, clean up and the proper installation in a neat and attractive manner. The ACC has the right to inspect and send notice to repair or replace damaged or unsightly roofs. The goal in item 5 (above) is to provide owners in immediate need of replacing their roof(s) the ability to do so. It is however, the ACC's goal that attached roof owners will work cooperatively on reroofing projects in an effort to reduce their costs and eliminate the need for any City Building Code & ACC requirements. As a townhome row is completely reroofed, the original roofline will be reestablished and maintained.



## **TRASH POLICY ENFORCEMENT POLICY**

**Revised – June 2006**

The Willow Creek III Board of Directors in response to a growing problem with trash has developed a policy of enforcement, to support our covenants in regard to this issue. Trash has been placed on the curb as early as Friday afternoon for Monday morning pickup. Realtors hold open houses and show clients our neighborhood on weekends, and we owe it to them and our fellow homeowners to present Willow Creek III in a good light. The ACC and Board of Directors have the responsibility to enforce our covenants, which will protect property values. Please be responsible and help eliminate this problem.

Our covenants under Article X, Common Scheme Restrictions, states that "No garbage, refuse, rubbish, or cuttings shall be deposited on any street, road, or common property, and not on any lot unless placed in a suitable container, suitably located."

The Board of Directors along with the ACC defines suitable container as a trash can or strong trash bag designed to secure trash against the elements, animals, etc. Suitably located means out of sight from the street or common areas. In the garage or behind the privacy fence is requested. Along side the house is unacceptable.

The Board of Directors has adopted the following policy:

1. Trash shall not be placed on the lot for pickup prior to 5:00 PM on the night before scheduled pickup.
2. All trash shall be in a suitable container, such as a trashcan or strong trash bag designed for outdoor usage.
3. Empty trashcans shall be retrieved by 8:00 PM on the day of pickup and suitably located out of sight from common areas, and the street.
4. Should a homeowner fail to honor our covenant and/or policy, the Board of Directors will take the following action:
  - (a) First notice, a reminder/Warning letter will be sent to the homeowner.



- (b) Second notice, a \$50.00 fine will be assessed against the property.
- (c) Third notice, a \$100.00 fine will be assessed.
- (d) Fourth and Subsequent notice--\$200.00 fine will be assessed against the property.

Continuing violations shall be considered a separate violation for each 24-hour period that the violation continues. All fines shall be collectable as assessments.

Late charges and interest will apply.

Should the problem continue, the Board of Directors might, at its option, request a demand letter be sent from the association's attorney. Any legal cost will be assessed against the property in violation.

This policy and the fines are in line with the Enforcement policy with fine schedule approved by the Board of Directors on 12/17/05, and effective 1/1/06.

## **WINDOW/DOOR REPLACEMENT POLICY**

### **Revised – June 2006**

Request for window and/or door replacement must be submitted in writing to the Architectural Control Committee as required by Article VIII, Section 1 of the covenants.

#### **Single-Family Homes**

- 1) ALL windows of the home shall match.
- 2) Single-family homes may replace windows using windows, **with or without** mutin (grids) bars, however all windows of the home must match.
- 3) White or Beige colored vinyl windows are acceptable. Bronze colored, as original, is acceptable as well.
- 4) Slider or French doors in Beige, White or Bronze are acceptable. Must match other windows in home.
- 5) It is permissible to replace all the windows on one side of a home as long as there is the intention of replacing all the windows over the next few years. It is preferable that all windows are replaced simultaneously.

#### **Townhomes**

1. Townhome windows must be bronze, as original, or dark in color and approved by the Architectural Control Committee.
2. Windows with mutin (grids) bars must be replaced with like windows.
3. All townhome windows must be replaced simultaneously.

#### **Special Requests**

**The outside trim moldings must be replaced with same materials as existing rough-hewn cedar.**

The committee on a case-by-case basis shall review any request for other than approved windows as mentioned above.

## **POLICY REGARDING THE ADOPTION AND AMENDMENTS OF POLICIES, PROCEDURES AND RULES**

The following procedures for the adoption and amendment of policies, procedures and rules were adopted by the Board of Directors of Willow Creek Homeowners Association No.3 ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

**Effective Date: January 1, 2006.**

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

1. Pursuant to Article VIII, Section I of the Association's bylaws, the authority to adopt and amend policies, procedures, rules and regulations lies with the Board of Directors of the Association.
2. The Board, having determined that an issue affects the community for which a policy, procedure, or rule would be beneficial, and having discussed reasonable approaches to address the issue, may adopt a policy, procedure or rule in the reasonable discretion of the Board by any method authorized by the Association's governing documents or pursuant to Colorado law.
3. 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 governing documents. Notwithstanding the foregoing, the rule or policy may further regulate, clarify, modify or elaborate on express provisions in the Association's governing documents. The Board will exercise reasonable care to balance the Association's interests with the interests of the individual Owners.
4. The policy, procedure, rule or regulation shall be effective upon its adoption or such other date as determined by the Board. Notwithstanding the

foregoing, the Board shall distribute the duly adopted policy, procedure, rule or regulation by any reasonable means available, including but not limited to internet posting, e-mail, mail (through a newsletter or otherwise), or by personal delivery. Pursuant to the Association's Policy Regarding Inspection and Copying of Association Records, Owners may inspect all duly adopted rules and policies.

5. An Owner's failure to receive the policy, procedure, rule or regulation shall not be a defense to the Association's ability to enforce the policy, procedure, rule or regulation or to levy fines, expenses or attorneys' fees as a result of a violation of the policy, procedure, rule or regulation. In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

## Collection Policy

The following collection policy was adopted by the Board of Directors of the Willow Creek Homeowners Association No. 3 ("Association"), pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

**Effective Date:** January 1, 2014

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Collection Policy:

### ***Prior to Referral to Legal Counsel – Due Date, Late Fees, and Interest***

1. Assessments are due on or before the first (1<sup>st</sup>) day of each month. If the full amount of any assessment due is not received by the Association by the fifteenth (15<sup>th</sup>) day of the month in which the assessment was due, the assessment shall be considered delinquent. At such time, a late fee of up to \$5.00 shall be assessed to the delinquent account. If an account has been delinquent for more than thirty days, delinquent assessments shall bear interest at the rate of eight percent (8%) per annum from the delinquency date until paid in full.

### ***Prior to Referral to Legal Counsel – Notice of Delinquency***

2. In the event of a delinquent assessment, the Board or its managing agent, shall mail to the address of the delinquent owner's property within the Association's community, if any, a reminder letter, the format and contents of which shall be determined by the Board of Directors and may be amended by the Board from time to time. 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.
3. If the delinquent assessment is not paid within the time frame set forth in the reminder letter, the Board may send a second letter requesting payment within a reasonable time.
4. Before the Association turns over a delinquent account of a unit owner to a collection agency or refers it to an attorney for legal action, the reminder letter, a second letter (if applicable), or some other notice of delinquency to the Owner shall state:
  - a. The total amount due, with an accounting of how the total was determined;
  - b. Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan;
  - c. The name and contact information of the individual that the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and
  - d. The following or similar statement: "Action is required to cure the delinquency. Failure to do so within 30 days may result in your account being turned over to a collection agency, a lawsuit being filed against you, the filing and foreclosure of a lien against your property, or other remedies available under

Colorado law.”

5. If the delinquency is not paid in full by the date set forth in the notice providing the above information, the Board may send an additional letter to the Owner or exercise its legal remedies, including referring the Owner’s delinquent account to the Association’s legal counsel.

#### ***After Referral to Legal Counsel***

6. After the delinquent account has been referred to the Association’s legal counsel (hereinafter, the “Association Attorneys”), the delinquent Owner shall direct all communications regarding the delinquent account to the Association Attorneys.
7. The Association Attorneys shall mail a demand letter to the address of the property within the Association’s community owned by the delinquent Owner, if any. If the Owner has delivered written request to the Association personally or by certified mail, return receipt, postage prepaid, pursuant to paragraph 2 above, the Association or its managing agent will provide this information to the Association Attorneys who will in turn mail the notice of delinquency to another address as set forth in the Owner’s written request.
8. If the amount set forth in the initial demand letter is received by the Association Attorneys on or before the date set forth in the letter, the Association Attorneys shall take no further action and shall refer the account back to the Association.
9. If the Owner fails to timely pay the full amount set forth in the initial demand letter, the Association Attorneys may file a lawsuit against all Owners subject to an assessment obligation for the property in question. In the alternative or in addition thereto, the Association Attorneys may also pursue the remedies set forth in the section Legal Remedies, below. The lawsuit(s) shall set forth the alleged delinquent assessment, the amount of late fees due, the costs of collection, attorneys’ fees, court costs, and any other expenses due as of the date of the approximate date of the lawsuit.
10. The lawsuit(s) shall be prosecuted as the Association Attorneys deem appropriate. All costs and expenses, including reasonable attorneys’ fees, shall be applied to the delinquent Owner(s) account and shall be collectible as and treated as assessments.
11. The Association may only foreclose on its lien if:
  - a. The balance of the assessments and charges secured by the Association’s lien equals or exceeds six months of common expense assessments; and
  - b. The Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. Any legal action filed without evidence of the recorded vote authorizing the action must be dismissed. No attorney fees, court costs, or other charges incurred by the Association or a holder or assignee of the Association’s lien in connection with an action that is dismissed for this reason may be assessed against the Owner.

#### ***Payment Plans***

12. This section sets forth the circumstances under which an Owner is entitled to

enter into a payment plan with the Association, pursuant to C.R.S. §38-33.3-316.3. The Association shall make a good-faith effort to coordinate with an Owner to set up a payment plan that meets the requirements of C.R.S. §38-33.3-316.3, unless the Association is not obligated to negotiate or enter into a payment plan with an Owner.

13. The Association is obligated to negotiate, coordinate, and enter into a payment plan with an Owner unless:
  - a. The Owner has previously entered into a payment plan with the Association under this Policy; or
  - b. The Owner does not occupy the property and has acquired the property as a result of:
    - i. A default of a security interest encumbering the property; or
    - ii. Foreclosure of the association's lien.
14. An Owner may pay off the deficiency in equal installments over a period of at least six months. Said period shall begin at the Association's sole discretion.
15. An Owner fails to comply with the terms of his or her payment plan if:
  - a. An Owner fails to timely remit payment of an agreed-upon installment; or
  - b. An Owner fails to remain current with regular assessments as they come due during the agreed-upon payment period.
16. If an Owner fails to comply with the terms of his or her payment plan, the Association may pursue legal action against an Owner without further notice to the Owner.
17. For purposes of this section, "assessments" includes regular and special assessments and any associated fees, charges, late charges, attorney fees, fines, and interest charged pursuant to C.R.S. §38-33.3-315(2).

#### ***Legal Remedies Available to the Association***

18. The legal remedies available to the Association to collect on an Owner's delinquent account include:
  - a. Recording a notice of assessment lien against a delinquent Owner's property, in addition to the Association's statutory lien;
  - b. Bringing an action at law for entry of a money judgment in favor of the Association and against a delinquent Owner;
  - c. Bringing an action for appointment of receiver;
  - d. Bringing an action for foreclosure of the Association's lien against the property of the delinquent Owner; and

- e. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interest.

### ***General Provisions***

- 19. Payments received by the Association or the Association Attorneys shall be applied in the following order, or as may be applicable, oldest outstanding charges paid first:
  - a. To attorneys' fees and legal costs and expenses;
  - b. To the Association's other out-of-pocket costs, expenses and charges associated with the delinquency;
  - c. To fines levied by the Association with regard to the delinquency or other violations of the Association's governing documents, regardless of when incurred;
  - d. To late fees assessed by the Association;
  - e. To interest levied to the account;
  - f. To any special assessments levied; and
  - g. To regular assessments.
- 20. Any payment of less than the outstanding balance that contains a writing that the Association Attorneys believe could be a restrictive endorsement or any other restriction on the receipt of the funds, or that is accompanied by any letter, note or other communication that could be considered a restrictive endorsement or any other restriction on the receipt of the funds may, at the discretion of the Association Attorneys, be returned.
- 21. If a check or other instrument tendered to the Association is returned or dishonored for any reason, the Association may charge a returned check fee of \$35.00. Additionally or in the alternative, the Association may pursue all other remedies available at law that may be applicable, including the right to seek treble damages plus costs and attorneys' fees.
- 22. In the event of any action brought to collect delinquent assessments, alleging that the Association has failed to comply with the terms of the Association's governing documents shall not constitute a defense or entitle the Owner to a set off of any assessments owed.
- 23. If a Court finds that any portions of this collection policy unenforceable, the Court shall reform this policy to the least extent necessary to give effect to the intent of this collection policy. In such event, all remaining portions of this collection policy shall remain in force and effect.



## **POLICY REGARDING CONDUCT OF MEETINGS**

The following procedures regarding conduct of meetings were adopted by the Board of Directors of Willow Creek Homeowners Association No.3 ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

**Effective Date: May 1, 2013.**

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the conduct of meetings:

### **Meetings of the Members/Meetings of the Board**

All regular and special meetings of the Members and Board of Directors are open to all Members of the Association or to any person designated in writing as a Member's representative (hereinafter, a "designated representative"). At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Members or their designated representatives shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue but may place reasonable time restrictions on those persons speaking during the meeting.

A Director may attend a meeting of the Executive Board by using an electronic or telephonic communication method whereby the director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Executive Board. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter

### **Voting**

Votes for contested positions on the board shall be taken by secret ballot. At the discretion of the Board or upon the request of twenty percent of the Owners who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the common

interest community on which all unit owners are entitled to vote shall be by secret ballot.

Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are 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 volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Owners participating in such vote.

### **Legal Matters**

Upon the final resolution of any matter for which the Board has received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney- client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

Audio and video recording of Board or Member meetings is prohibited. Notwithstanding the foregoing, the official record-keeper at any meeting may, at the discretion of the Board, record the proceedings of that meeting for record-keeping purposes. The audio or video tapes of any meeting kept by the official record-keeper shall be retained until such time as the information has been memorialized in the minutes of said the Board has adopted meeting and such minutes. The Association shall retain any audio or videotapes until such time as the Board has adopted the minutes for the recorded meeting.

### **Executive Session**

Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed door session during any regular or special Board meeting and may restrict attendance to Board members and such other persons requested by the Board. The matters to be discussed at such an executive session are limited to:

1. Matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

2. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
3. Investigative proceedings concerning possible or actual criminal misconduct;
4. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
5. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
6. Review of or discussion relating to any written or oral communication from legal counsel. Prior to convening an executive session, the Board or committee thereof, as may be applicable, shall announce the general matters to be discussed in the executive session. No rule or regulation may be validly adopted during an executive session.

Prior to convening an executive session, the Board or committee thereof, as may be applicable, shall announce the general matters to be discussed in the executive session. No rule or regulation may be validly adopted during an executive session.

### **Etiquette / Remediating Disruptive Behavior**

At either a meeting of the Members or the Board, if a member refuses to stop talking after his/her allotted time has ended or otherwise disrupts the meeting, the chair of the meeting shall be entitled to request that the speaker cease speaking. If the speaker continues to speak or continues to be disruptive during the remainder of the meeting, the Board may vote to adjourn the meeting. In the alternative, or in addition to adjourning the meeting, the chair of the meeting, in the exercise of his /her reasonable discretion shall be entitled to contact law enforcement and request that the disruptive person be removed from the meeting.

In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

## **DIRECTOR CONFLICT OF INTEREST POLICY**

The following director conflict of interest policy was adopted by the Board of Directors of Willow Creek Homeowners Association No.3 ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

**Effective Date: May 1, 2013.**

NOW, THEREFORE, IT IS RESOLVED that the following procedures shall apply in cases where members of the Association's Board of Directors have a conflict of interest, as that term is described herein below:

1. As used in this policy, "Conflicting Interest Transaction" means: A contract, transaction, or other financial relationship between the Association and a Director (Board Member) of the Association, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest. As used in this policy, "Officer" means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney or accountant employed by the Association.
2. No loans shall be made the Association to its Directors or Officers. Any Director 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 until the repayment thereof.
3. No Conflicting Interest Transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association solely because the Conflicting Transaction Involves a Director of the Association or a party related to a Director or an entity in which a Director of the Association is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association's Board of Directors or of the committee of the Board of Directors that authorizes, approves, or ratifies the Conflicting Interest Transaction or solely because the Director's vote is counted for such purpose if:
  - a. The material facts as to the Director's relationship or interest and as to

- the Conflicting Interest Transaction 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 Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or
- b. The material facts as to the Director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Members entitled to vote thereon, and the Conflicting Interest Transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote thereon, or
  - c. The Conflicting Interest Transaction is fair as to the Association.
- 4. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee, which authorizes, approves, or ratifies the Conflicting Interest Transaction.
  - 5. For purposes of this section, a "party related to a Director" shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or interest 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.
  - 6. The Association's conflict of interest policies, procedures and rules and regulations shall be reviewed periodically.
  - 7. In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

## **ENFORCEMENT POLICY**

The following enforcement procedure was adopted by the Board of Directors of Willow Creek Homeowners Association No.3 ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

**Effective Date: May 1, 2013.**

1. Pursuant to the Association's Declaration and pursuant to the Colorado Common Interest Ownership Act (the "Act"), the Association or any member of the Association, or both, may bring an action to enforce the terms of the Association's Declaration. The collection of delinquent assessments shall be governed by the Association's collection policy, except to the extent that the Association desires to suspend an Owner's membership privileges for the non-payment of assessments, in which case the suspension procedure set forth herein shall apply (but it shall not apply to the Association's efforts to collect the assessments).

2. The Association's primary objective is to uphold the terms of the Declaration and other governing documents that benefit the community at large. To the extent that a neighbor-to-neighbor dispute exists, the Board encourages the neighbors to resolve the dispute in an informal and cooperative manner if possible. In some cases, a community mediator may be brought in to resolve such disputes.

3. In the event that a claimed violation of the Association's governing documents is brought to the Board's (as used in this procedure, the term "Board" shall mean the Board of Directors, any committee of the Board, or any other body established by the Association's governing documents such as, but not limited to, an independent architectural control committee) attention through written complaint, the Board shall review the complaint to determine whether the Board should take further action. Any complaint submitted to the Board shall be sufficiently detailed to provide the provisions

of the governing documents alleged to have been violated together with the time, date and place of the violation and any witnesses thereto. If the Board determines, in the exercise of its reasonable discretion, that the claim merits no further action, the Board shall document such a decision in the minutes of the Association. The Board may, but need not, review claimed violations that are submitted anonymously or verbally. The Board may also prosecute alleged violations of the Association's governing documents without receipt of a written complaint if one or more of the Board members have personal knowledge of an alleged violation.

4. If the Board determines that the complaint sets forth a potential violation of the Association's governing documents and that the Board is justified in pursuing the matter further, the Board shall send a notice to the Owner claimed to have caused the violation. If the person causing the violation is a guest, tenant, family member, or invitee or licensee of an Owner, then the Owner shall be responsible for the act or omission. (The term "Owner" used in this policy shall refer to the responsible Owner). The Board may, but need not send a notice to the person causing the violation if such person is not also an Owner.

5. The notice of violation shall be sent to the address of the Owner's property within the Association's community. The Association, upon the written request of the Owner delivered to the Association personally or by certified mail, return receipt requested, postage prepaid, will mail the notice of violation to another address. The notice of violation shall state with reasonable detail the circumstances of the claimed violation as known by the Board and shall provide the Owner an opportunity for a hearing before the Board to refute the complaint. If the person charged with a violation responds in writing and requests a hearing, a hearing shall be set and written notice of the date, time and place of hearing shall be provided to the accused.

6. If the Owner does not respond in writing with a request for a hearing within fifteen days after the Board places the notice of violation in the United States



Mail, first class postage paid, then the Owner shall be deemed to have admitted the facts set forth in the notice of violation at which time the Board may impose a fine or penalty, or both, for the violation and may suspend the Owner's privileges as the Board deems appropriate and pursuant to the governing documents of the Association.

7. The procedure to be followed at a hearing shall be as follows:

a. The President of the Board or his /her designee shall be the chairperson of the meeting ("Chair"). The Chair shall conduct the hearing and shall recognize people prior to them speaking and shall direct them to stop speaking as the chair deems appropriate. At the conclusion of the hearing, the Board may but need not make a final decision at the hearing. In any case, the Board shall send written notice of its decision to the Owner within a reasonable time after the meeting. Any fine, penalty, or suspension of privileges shall not take effect until at least five days after the Board's decision.

b. If any person present at the hearing continues to speak or continues to be disruptive during the remainder of the meeting, the Board may vote to adjourn the hearing. In the alternative, or in addition to adjourning the hearing, the chair, in the exercise of his /her reasonable discretion shall be entitled to contact law enforcement and request that the disruptive person be removed from the hearing.

8. The Board shall exercise its discretion with regard to the amount of any particular fine levied but shall be limited to the following fine schedule:

- a. First violation: warning letter;
- b. Second violation: up to a \$50 fine;
- c. Third violation: up to a \$100;
- d. Fourth and subsequent: up to a \$200 fine.
- e. Continuing violations shall be considered a separate violation for each 24-hour period that the violation continues. All fines assessed shall be collectible as assessments.



9. The above-listed fine schedule shall not limit the Association's ability to assess the Owner for any damages arising from the Owner's violation of the governing documents.

10. Notwithstanding anything in this policy to the contrary, the Association shall have the right, at any time and without proceeding through the steps outlined herein and without regard to the fine schedule, to bring an action at law to compel compliance with the terms of the Association's governing documents. 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. The prevailing party to any action shall be entitled to recover its costs, expenses and reasonable attorneys' fees.

11. Failure of the Association to enforce its governing documents pursuant to this Policy shall not constitute a waiver of the right to enforce the same thereafter.

12. In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

## **POLICY REGARDING INSPECTION AND COPYING OF ASSOCIATION RECORDS**

The following policy regarding inspection and copying of association records was adopted by the Board of Directors of Willow Creek Homeowners Association No.3 ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

**Effective Date: January 1, 2006.**

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the inspection and copying of Association records:

### **I. Types of Records:**

Pursuant to Colorado Revised Statute 38-33.3-317, the Association shall keep a permanent records the following documents:

- A. Minutes of all meetings of owners and the Board.
- B. A record of all actions taken by the owners or the Board by written ballot or written consent in lieu of a meeting.
- C. A record of all actions taken by a committee of the Board in place of the Board on behalf of the Association.
- D. A record of all waivers of notices of meetings of Owners and of the Board or any committee of the Board. The Association or its managing agent shall maintain a record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owner is entitled to vote. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. Pursuant to Colorado Revised Statute 38-33.3-317(5), in addition to the records specified in Section 1 above, the Association shall keep a copy of each of the following records at its principal office:
  - 1. Articles of Incorporation;
  - 2. The Declaration including Covenants;
  - 3. Its Bylaws;

4. Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Owners or any class or category of Owners;
5. The minutes of all Owners' meetings, and records of all actions taken by Owners without a meeting, for the past three years;
6. All written communications within the past three years to Owners generally as Owners;
7. A list of the names and business or home addresses of its current directors and officers; and
8. Its most recent annual report, if any, and all financial audits or reviews conducted pursuant to Section 38-33.3-303(4) (b) during the immediately preceding three years.

## **II. Inspection:**

An Owner, or a duly appointed representative, is entitled to inspect and copy the Association's records during regular business hours at the Association's principal office provided the Owner delivers written notice to the Association at least five business days prior to the planned inspection. The prior notice must describe with reasonable particularity the records that the Owner desires to inspect and the purpose of the inspection. The Board, at its reasonable discretion, may determine whether an inspection request is made in good faith and for a proper purpose. In making this determination, the Board may consider, among other things, whether the records requested are relevant to the purpose of the request, whether the inspection is requested for an illegal or improper purpose, whether disclosure of the records would violate a statutory provision or may result in the invasion of personal privacy or reveal privileged information, whether disclosure of the records would violate constitutional or statutory provisions, a court order or public policy and whether disclosure would unreasonably interfere with or improperly disrupt the operation of the Association. Absent a court order, an Owner or representative thereof shall not be authorized to inspect or copy any confidential communication including but not limited to documents subject to the attorney-client privilege, documents subject to privilege imposed by Colorado or Federal law, documents that contain information that if disclosed would constitute an invasion of personal privacy as set forth in section 4 herein. No records may be removed from the inspection

site without the express written consent of the Board of Directors. At the reasonable discretion of the Board or its managing agent, a Board member or employee of the managing agent may determine it necessary to be present during the inspection of certain records. The Board or its managing agent may photocopy any requested records in lieu of an actual inspection by the Owner if consented to by the Owner.

### **III. Copying Costs:**

The Association may charge a fee, not to exceed the Association's actual cost per page for copies of the Association records, which under certain circumstances, as set forth above, may include costs to oversee the Owner's inspection and may include services to prepare the records for review and to make the requested copies, if voluminous. The Association and its managing agent retain the right to fracture the records inspection into several sessions if the inspection and/or copy request contains a large amount of documents in order to alleviate the time constraints on the Board or its managing agent.

### **IV. Limitations on Inspection:**

Pursuant to paragraph 2 above, the inspection of certain records may be determined by the Board to result in the invasion of personal privacy or reveal privileged information. Therefore, unless an Owner obtains written authorization from the Board or its managing agent, the following records may not be inspected:

- A. Confidential personnel records.
- B. Records related to *"consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings"* or are *"privileged or confidential between attorney and client."*
- C. Files dealing with *"investigative proceedings concerning possible or actual criminal misconduct."*
- D. Any records *"the disclosure of which would constitute an unwarranted invasion of individual privacy."*
- E. Work product and drafts including memoranda, working papers and notes of Board members or the Association's managing agent. In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

## **POLICY REGARDING INVESTMENT OF RESERVE FUNDS**

The following policy regarding the investment of reserve funds was adopted by the Board of Directors of Willow Creek Homeowners Association No.3 ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

### **Effective Date: May 1, 2013.**

NOW, THEREFORE, it is resolved that the Association does adopt the following policy regarding the investment of reserve funds:

1. The Board, pursuant to C.R.S. 7-128-401, shall be entitled to rely on the information, opinions, reports or statements of accountants, legal counsel, and those other persons the Board reasonably believes have professional or expert competence in the matters at issue. The Board shall be subject to the standards set forth in C.R.S. 7-128-401, except that as used in that section, "corporation" or "nonprofit corporation" means the Association, "Director" means a member of the Association's Board, and "Officer" means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney or accountant employed by the Association.

2. The Treasurer of the Association shall be primarily responsible for the tasks of investigating investment options for and the investment of the Association's reserve funds. However, the entire Board shall be responsible for the ultimate decisions made with regard to the investment of reserve funds.

3. The Treasurer shall evaluate investment options available to the Association, taking into account the security of the investment, the potential rate of return, the availability of federal deposit insurance, the liquidity of the investment, the reputation of the investment as well as of any advisors to the Treasurer, as well as any other factors that the Treasurer deems are reasonable.

4. Any investment of Association funds shall take into consideration the preservation of the principal balance of the reserve funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. The Association shall, when investigating potential investment options, seek to mitigate loss by diversifying the investment portfolio, limiting investments to the safest types of investments, minimizing the risk of the market value of investments in the portfolio due to changes in general interest rates, structuring its investments in such a way as to remain sufficiently liquid to meet all planned reserve fund expenditures, and minimizing the need to sell investments prior to maturity.
5. The Treasurer shall report to the Board with the Treasurer's recommendations regarding the investment of reserve funds. The Board shall vote on the decisions made and shall document such vote in the minutes of the Association.
6. No member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a Board member, or a parent or spouse of any of those persons shall financially benefit, directly or indirectly, in the investment of reserve funds other than as a member of the Association generally.
7. The Board shall investigate on a periodic basis, but no less frequently than quarterly, the current balance of reserve funds and shall adjust the investments as needed to comply with the terms of this policy and the advice of those professionals upon whom the Board rely.
8. In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

## **GOVERNANCE POLICY REGARDING RESERVE FUNDS**

This Governance Policy Concerning Reserve Studies is adopted this **1st day of May 2013**, by the Board of Directors of the Willow Creek Homeowners Association No. 3 ("Association") in accordance with the requirements of Colorado Revised Statute 38-33.3-209.5.

It is the policy of the Association to conduct a reserve study for the portions of the Association's community that are maintained, repaired, improved or replaced by the Association as follows:

The Association shall prepare internally, or request the external preparation\_ of, a reserve study for those items of the Association 's community that are maintained, repaired, improved or replaced by the Association. The reserve study will be periodically updated when deemed appropriate by the Board of Directors but shall be updated no less frequently than every five (5) years.

The individual or individuals preparing the reserve study may or may not have professional experience in conducting the reserve study. The reserve study will be based on both physical and financial analyses of the Association's community.

The reserve study will recommend a funding plan for any work recommended by the reserve study. The funding of the work recommended by the reserve study will be reviewed at least once per year and incorporated into the Association's then-current budget.

Sources of funding will generally consist of regular periodic maintenance fees collected by the Association. However, in the event of an urgent and/or unforeseen reserve, the Board of Directors shall be entitled to fund the expenditure by any legal means not prohibited by the Association's governing documents, including but not limited to the levy of one or more special assessments or the borrowing of funds.



## **POLICY REGARDING ALTERNATIVE DISPUTE RESOLUTION**

The following policy regarding alternative dispute resolution was adopted by the Board of Directors of the Willow Creek Homeowners Association No.3 ("Association") pursuant to C.R.S. 38-33.3-124, at a regular meeting of the Board of Directors.

**Effective Date: May 1, 2013**

NOW, THEREFORE, it is resolved that the Association does adopt the following policy regarding the resolution of certain disputes:

1. The Board, pursuant to C.R.S. 38-33.3-124 desires to encourage the use of certain types of alternative dispute resolution ("ADR") to resolve certain claims between Owners and the Association.
2. The Board has determined that mediation can be an effective method of resolving certain disputes if both parties to the dispute genuinely desire to mediate the dispute. Consequently, the term "ADR" as used in this policy shall apply only to mediation. Furthermore, compliance with this policy is purely voluntary but encouraged nonetheless.
3. This ADR policy shall be inapplicable to actions by the Association against an Owner to collect assessments or other sums due to the Association, including foreclosure proceedings.
4. If an Owner or the Association desires that a matter between the two, other than those excepted by paragraph 3 above be submitted to mediation, the moving party shall submit a written request for mediation. The other party shall respond in writing within thirty (30) days of receipt of the request for mediation as to whether the responding party is willing to participate in mediation. Should the parties agree to mediate, the parties shall work cooperatively to select a mutually acceptable mediator and shall endeavor to mediate the dispute in a good faith manner.



5. Any agreement reached through mediation shall be documented in a signed writing. Unless the parties agree to the contrary, the cost of the mediation shall be divided equally between the Owner and the Association. If the dispute is resolved through mediation, the parties' respective attorneys' fees shall be paid as set forth in the written agreement.
6. If the parties resolve any dispute through mediation, and the other party fails to abide by the terms of the written agreement pertaining to such resolution, then the other party may file suit to enforce such agreement immediately. 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, attorney fees and costs.
7. If mediation is to be pursued, the Association may request an agreement with the Owner be executed prior to the commencement of the mediation, which tolls any applicable statute of limitations while the parties are attempting to resolve the dispute through ADR. The parties may be, but do not need to be, represented by counsel at the mediation proceedings.
8. Compliance with this ADR policy shall not be a pre-requisite to seeking redress through litigation; either party can request mediation in accordance with this policy before or after a suit is filed. This policy is not intended to pertain to disputes between two or more Owners.
9. The Board of Directors may amend this policy from time to time.

WILLOW CREEK HOMEOWNERS ASSOCIATION NO. 3  
Adoption of Policies

The undersigned hereby certify that all policies set forth in the Table of Contents of the Willow Creek Homeowners Association No. 3's Rules & Regulations, dated May 1, 2013 were adopted and made a part of the minutes of the meeting of the Board of Directors of the Willow Creek Homeowners Association No. 3 conducted on the 11th day of April, 2013.

WILLOW CREEK HOMEOWNERS ASSOCIATION NO. 3

By: Lynn Countryman  
Lynn Countryman (print name), Director

WILLOW CREEK HOMEOWNERS ASSOCIATION NO. 3

By: Cheryl E. Christ  
Cheryl E. Christ (print name), Director

WILLOW CREEK HOMEOWNERS ASSOCIATION NO. 3

By: Robert West  
Robert West (print name), Director

WILLOW CREEK HOMEOWNERS ASSOCIATION NO. 3

By: Sharon A. Briggs  
Sharon A. Briggs (print name), Director

WILLOW CREEK HOMEOWNERS ASSOCIATION NO. 3

By: Sharon R. Briggs  
Sharon R. Briggs (print name), Director

WILLOW CREEK HOMEOWNERS ASSOCIATION NO. 3

By: Sharon A. Briggs  
Sharon A. Briggs (print name), Director

WILLOW CREEK HOMEOWNERS ASSOCIATION NO. 3

By: MARTIN GAZELTY  
MARTIN GAZELTY (print name), Director