

Homestead in the Willows

Governing Policies



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Homestead in the Willows Homeowners Association
5896 East Geddes Avenue, Centennial, Colorado 80112 * 303-793-0230

January 2009
Revised October 2010
Revised October 2013
Revised August 2018
Revised February 2022
Revised November 2022

To Our Homestead Community

Having written policies in place helps ensure that with each HOA Board, the Association's business of maintaining our community's property and assets is conducted in a consistent, equitable, and transparent manner.

The following is a brief listing of our current policies adopted by the Board with the full policy printed afterward.

Adoption and Amendment of Policies

Within the guidelines of the Association's governing documents, the Board has authority to create, adopt, enforce, amend and repeal policies, procedures, rules and regulations.

Collection Policy

All Homeowners are obligated under our Article of Incorporation to pay all assessments. This policy outlines the steps our HOA must take to ensure that annual assessments are paid in a timely manner.

Conduct of Meetings

It is important that meetings be conducted in a courteous manner and all Homeowners may be heard at meetings. This policy ensures that our meetings are conducted well.

Covenant Enforcement Policy and Procedures

Covenant violations cover two primary situations; property use and maintenance, and architectural control compliance. This policy helps ensure that homeowners maintain their property and follow the guidelines for making external changes to property or homes.

Dispute Resolution Policy

This policy outlines the Association's procedure for addressing disputes between the Association and owners.

Director Conflict of Interest Policy

Any Board Member must disclose to the Board any potential benefits that the Board member or

anyone in his/her extended family might gain from a contract, decision or action taken by the Board.

Home Occupation

This policy ensures that any residence used for home occupation does not change the quality and character of our community.

Inspection and Copying of Association Records Policy

A Homeowner under certain circumstances may inspect records. The circumstances and procedure to do this is contained in this policy.

Records Retention

This policy outlines the various Association documents that will be kept and for how long. Some documents will be part of permanent records.

Reserve Study and Funding

This policy outlines the Association's reserve study practice and the funding of those reserves.

Reserve Fund Investment

The purpose of this policy is to ensure the safety of the assets.

These policies are very important to the continued effective operation of the Association for the benefit of all Homeowners.

Adoption And Amendment Of Policies Policy

Adopted November 30, 2005

Revised January 16, 2013

The following procedures have been adopted by the Homestead in the Willows Homeowners Association, Inc. (“Association”) pursuant to the provisions of C.R.S. 38-33.3-209.5, at a meeting of the Board of Directors.

Purpose: To adopt a policy setting forth procedures for the adoption and amendment of policies, procedures, and rules.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing adoption and amendment of policies, procedures and rules:

1. Pursuant to the Association’s governing documents and C.R.S. 38-33.3-302, the authority to create, adopt, enforce, amend and repeal policies, procedures, rules and regulations (hereinafter collectively referred to as a “Rule”) lies with the Board of Directors of the Association.
2. When the Board, in the exercise of its discretion, determines that a Rule should be adopted, amended or repealed, as appropriate, it shall do so either at a meeting of the Board or by written consent in lieu of a meeting, or by any other method authorized by the Association’s

governing documents or pursuant to Colorado law.

3. The Board shall then give notice of the adoption, amendment, or repeal of the Rule in writing to each homeowner of the association via publication in the Homestead Herald. The Board shall also publish the Rule by any reasonable means available, including but not limited to posting the Rule in the community or on its website, by email, newsletter or personal delivery. The Rule, along with all other Rules of the Association, shall be available for inspection and copying in accordance with the Association’s policy regarding inspection and copying of Association records. The Board has the right, but not the obligation, prior to adopting any new Rule, to conduct an informational meeting of the Homeowners and solicit their input regarding any new or existing Rule.

4. Any Homeowner’s failure to receive the Rule shall not be a defense to any attempt by the Association to enforce the Rule or to levy fines, expenses, or attorneys’ fees as a result of a violation of the Rule.

HOMESTEAD IN THE WILLOWS HOMEOWNERS ASSOCIATION COLLECTION POLICY

Adopted September 13, 2022

The following procedures have been adopted by Homestead in the Willows Homeowners Association (“Association”) pursuant to C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To establish a uniform and systematic procedure for collecting Assessments and other charges of the Association, thus ensuring the financial well-being of the Association.

Collection Philosophy: All Owners are obligated by the Declaration of Restrictions of Homestead in the Willows Homeowners Association, as amended (“Declaration”) to pay all dues and Assessments in a timely manner. Failure to do so jeopardizes the Association’s ability to pay its bills. Failure of Owners to pay Assessments in a timely manner is also unfair to other Owners who do. Accordingly, the Association, acting through the Board of Directors, must take steps to ensure timely payment of Assessments.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of Assessments and other charges of the Association:

1. Due Dates.

- a. Statements for the payment of the annual dues Assessment are mailed to Owners by first-class U.S. mail no later than January 15th in the year such Assessments are due. The annual dues Assessments, as determined by the Association Board, and as allowed for in the Declaration and Colorado law, shall be due and payable no later than March 1st of each year.
- b. Other special assessments for capital improvements, voted on and approved by the Owners according to the Declaration, shall be due and payable upon receipt of the statement and must be paid no later than 45 days after the original statement date or they shall be considered past due and delinquent. Statements shall be mailed to Owners at least 45 days prior to the due date.
- c. Fines for violations of covenants, policies, and procedures follow the schedule published in the Covenant Enforcement Policy and are due and payable per the terms of that policy.

2. Late Fees and Interest. The Association shall be entitled to impose a late fee of twenty-five dollars (\$25.00) on any Assessment or other charge not paid by the due date. Additionally, any Assessment or other charge not paid by the

due date shall bear interest at the rate of eight percent (8%) per year from the due date until paid. Additionally, Assessments or other charges not paid in full within 45 days of the original due date will incur an additional twenty-five dollars (\$25.00) late charge. If the Assessments and other charges remain unpaid 90 days past the original due date, a third late charge of twenty-five dollars (\$25.00) will be imposed. All such interest and late charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.

3. Return Check Charges. A twenty-dollar (\$20.00) fee shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner of the property for which payment was tendered to the Association. If two or more of an Owner’s checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the Owner’s future payments, for a period of one (1) year, be made by certified check or money order.

4. Attorneys’ Fees and Collection Costs on Delinquent Accounts. The Association shall be entitled to recover from an Owner its reasonable attorneys’ fees and collection costs, including any costs of collection charged by the Association’s management company, incurred in the collection of Assessments or other charges due, whether or not a lawsuit has been initiated against the Owner. The Association shall be entitled to recover its post-judgment and appellate attorneys’ fees and costs incurred from an Owner.

5. No Offsets. No Owner may be exempt from liability for payment of any Assessment or other charge for any reason, including but not limited to, the abandonment of the property against which the Assessment or charge is made. All Assessments shall be payable in the amounts specified and no offsets or reduction shall be

permitted for any reason including, without limitation, any claim that the Association or Board of Directors is not properly exercising its duties and powers under the Declaration.

6. Application of Payments Made to the Association. If an Owner owes both unpaid Assessments and unpaid fines, fees, or other charges and makes a payment to the Association, the Association shall apply the payment first to the Assessments owed and any remaining amount to the fines, fees, or other charges owed. The Association has the discretion to return any payment containing a restrictive endorsement or directing application of payments contrary to this provision.

7. Offer of Repayment Plan. In its Notice of Delinquency, described in section 8, below, and subject to the following requirements and conditions, the Association shall offer a repayment plan to any Owner and make a good faith effort to coordinate a repayment plan with the Owner:

- a. The repayment plan must allow the Owner the right to pay off the delinquency in monthly installments over a period of up to eighteen (18) months;
 - b. The Owner may choose the amount to be paid each month of the repayment plan, so long as each payment is in an amount of at least twenty-five dollars (\$25.00) until the balance of the amount owed is less than twenty-five dollars (\$25.00);
 - c. An Owner who has entered into a repayment plan may elect to pay the remaining balance owed under the repayment plan at any time during the duration of the repayment plan;
 - d. No repayment plan need be offered if the Owner does not occupy the Unit and has acquired the Unit as a result of:
 - i. A default of a security interest encumbering the Unit; or,
 - ii. Foreclosure of the Association's lien;
- e. The Association is not required to offer a repayment plan or negotiate such a plan with an Owner who has previously entered into a payment plan with the Association;
 - f. The Owner's failure to remit payment of at least three (3) monthly installments of an agreed-upon installment within fifteen (15) days of the due date, or to remain current with regular Assessments as they come due during the period of the repayment plan, constitutes a failure to comply with the terms of the repayment plan; and,
 - g. The Association may pursue legal action against the Owner if the Owner fails to comply with the terms of the repayment plan.
8. Notice of Delinquency. After an installment of an Assessment or other charge owed to the Association becomes delinquent, and before the Association turns the delinquent account over to a collection agency or refers it to the Association's attorney for legal action, the Association shall cause a Notice of Delinquency to be sent to the Owner who is delinquent in payment. The Notice of Delinquency shall specify the following:
- a. a description of the steps the Association must take before it may take legal action against the Owner, including a description of the Association's cure process for covenant violations as specified in its policy governing enforcement;
 - b. a description of what legal actions the Association may take against the Owner, including a description of the types of matters the Association or Owner may take to small claims court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the declaration, bylaws, covenants, or other governing documents of the Association;
 - c. the total amount due, with an accounting of how the amount was determined;

- d. whether the total amount due concerns unpaid Assessments; unpaid fines, fees, or charges; or both;
- e. whether the delinquency concerns unpaid Assessments that may lead to foreclosure;
- f. whether an opportunity to enter into a repayment plan exists and the instructions for contacting the Association or its manager to enter into such a repayment plan;
- g. the name and contact information for the person the Owner may contact to request a copy of the Owner's ledger in order to verify the amount owed;
- h. that action is required to cure the delinquency and the specific action required to cure the default; and
- i. that failure to cure the delinquency within thirty (30) days may result in the delinquent account being turned over to a collection agency or the Association's attorney, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's Unit, or other remedies available under Colorado law.

The Association may send additional notices to the Owner, either before or after the Notice of Delinquency set forth in this section, for as long as amounts remain past due on the Owner's account. However, the Association is only required to send one (1) Notice of Delinquency as provided for in this section. The Notice of Delinquency shall be sent by certified mail, return receipt requested; physically posted at the Unit; and sent by U.S. regular mail at the property address unless the Owner has given notice, in writing, to the Association of an alternate address. In lieu of sending the Notice of Delinquency by regular U.S. mail, the Association may, but is not required to, send it by text message to a cellular number the Association has on file because the Owner has provided the number to the Association, or by electronic mail to an e-mail address that the Association has on file because the Owner has provided the address to the Association.

9. Balance Letter. On a monthly basis and by First-Class Mail and e-mail, if the Association has the Owner's e-mail address, the Association shall send each Owner who has any outstanding balance owed to the Association an itemized list of all Assessments, fines, fees, and charges that the Owner owes to the Association ("Balance Letter"). ***If the Association has incurred, or will incur, attorneys' fees and costs that have not yet been billed to the Association and added to the Owner's account, the Balance Letter shall indicate that the outstanding balance may not include all charges that have been or will be incurred and does not constitute a payoff.***

10. Notices. Except as otherwise provided herein, any notices shall be mailed to the Owner via regular U.S. mail at the property address unless the Owner has given notice, in writing, to the Association of an alternate address. If an Owner has provided written notification to the Association of a valid email address or cellular number, the Association may, but shall not be required to, also send notices to the Owner via email transmission or text. The Association shall send the Notice of Delinquency, Balance Letter, and all other notices to the Owner in English and in any other language the Owner designates in a writing that the Owner mails to the Association by certified United States mail, return receipt requested. In addition, the Association shall mail the Notice of Delinquency, Balance Letter, and all other notices in English to any contact person the Owner designates in a writing that the Owner mails to the Association by certified United States mail, return receipt requested.

11. Liens. If payment in full of any Assessment or other charge is not received by the deadline stated in the Notice of Delinquency, the Association may cause a notice of lien to be filed against the property. The lien shall include Assessments, fees, charges, late charges, attorneys' fees, fines, interest, and other charges pursuant to C.R.S. § 38-33.3-316(1).

12. Referral of Delinquent Accounts. After the deadline stated in the Notice of Delinquency has expired, the Association may, but shall not be required to, refer the delinquent account to its attorney or a collection agency for collection. An account may only be referred to an attorney

or a collection agency if a majority of the Board of Directors votes to refer the matter in a recorded vote at a meeting conducted pursuant to C.R.S. § 38-33.3-308(4)(e). Upon referral to the attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. After consultation with the Board of Directors or the Association's managing agent, the attorney shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and *ex parte* appointment of a receiver of the Owner's property.

13. Foreclosure of Lien. Notwithstanding any provision of this policy to the contrary, the Association may only foreclose the lien if:

- a. The balance of the Assessments and charges secured by the lien equals or exceeds six (6) months' worth of regular Assessments based on the periodic budget adopted by the Association;
- b. The Board of Directors has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Unit on an individual basis; and
- c. The lien does not consist only of fines that the Association has assessed against the Owner, and/or collection costs or attorneys' fees that the Association has incurred and that are only associated with fines.

Any Owner that fails to accept a repayment plan within thirty (30) days of the Notice of Delinquency is deemed to have declined the repayment plan and the Association may commence a legal action and or an action to initiate a foreclosure proceeding as provided herein. The Association may commence a legal action and/or an action to initiate a foreclosure proceeding as provided herein against any Owner that accepts a repayment plan and fails to pay at least three (3) of the monthly installments

within fifteen (15) days after the monthly installments were due without further notice.

14. Waivers. Nothing in this policy shall require the Association to take specific action(s) other than as set forth herein and to notify Owners of the adoption of this policy. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Association may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Any such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances, except as may be prohibited by Colorado law.

15. Order of Remedies. Subject to the restrictions contained in the "Foreclosure of Lien" section above, the Association may pursue any actions or remedies including, but not limited to, actions for personal judgment, foreclosure, or receivership (on an *ex parte* basis or otherwise and for purposes of collecting the lien balance coming due to the association both pre-judgment and post-judgment in any judicial proceeding), to collect amounts owed in any order.

16. Definitions. Capitalized terms not defined in this Policy are used as defined in the Declaration, as may have been amended.

17. Severability. If any provision of this policy is or becomes illegal, invalid, or unenforceable, that shall not affect the validity or enforceability of any other provision of this policy.

18. Superseding Previous Policies. This policy shall replace and supersede any previous rules and regulations or policies of the Association addressing the collection of past due Assessments.

**HOMESTEAD IN THE WILLOWS HOMEOWNERS ASSOCIATION
POLICY REGARDING CONDUCT OF MEETINGS
Adopted September, 2022**

The following procedures have been adopted by Homestead in the Willows Homeowners Association (“Association”) pursuant to the provisions of C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors (“Board”).

Purpose: To establish a uniform and systematic protocol for conducting Association meetings, including Members’ meetings and Board meetings; to ensure equitable participation by Members while permitting the Board to conduct the business of the Association; and to memorialize the circumstances under which the Board may convene into executive session.

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

1. Members’ Meetings. All Association meetings are open to every Member, or to any person designated by a Member in writing as the Member’s representative, and Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that at regular and special meetings of the Board, Members who are not Board members may only participate in deliberation and discussion as provided below.

2. Board Meetings. All regular and special meetings of the Board, or any committee of the Board, are open to attendance by all Members, or to any person designated by a Member in writing as the Member’s representative. Except as provided below, Members who are not members of the Board may not participate in any deliberation or discussion unless and until

3. expressly so authorized by a vote of the majority of a quorum of the Board.

4. Members’ Right to Speak at Board Meetings. At Board meetings, before the Board takes

formal action on an item under discussion, the Board shall permit Members, or their designated representatives, to speak. This is in addition to any other opportunities to speak that may be present on the agenda. The Board may place reasonable time restrictions on those persons speaking during any meeting. The Board shall permit a reasonable number of persons to speak on each side of an issue.

5. Agenda; Open Forum. All Association meetings, including committee meetings, meetings of the Board, and meetings of the Members, may be conducted by wholly electronic means as long as all parties participating may hear each other during the meeting, and in such case all parties participating are deemed present at the meeting. The President of the Board of Directors, and in his or her absence, the Vice President, shall chair all meetings. The agenda for all meetings shall follow the order of business specified by the Association’s Bylaws, and if none, in accordance with the order of business determined by the Board. The agenda for Members’ meetings may include a Member Open Forum during which any Member or Member’s designated representative who wishes to speak will have the opportunity to do so, subject to the remaining provisions of this policy. The agenda for Board meetings may include a Member Open Forum, subject however, to the Board’s right to dispense with or limit the Member Open Forum at the Board’s discretion.

6. Limits on Right to Speak During Open Forum. The Board shall have the right to determine the length of time of any Open Forum. The chair of the meeting may place reasonable limitations upon the time given to each Member seeking to comment, to allow sufficient time for as many Members as possible to comment within the time permitted. Unless otherwise determined by the chair, the time limit will be three minutes per Member. The chair

shall, to the best of his/her ability, allocate time to each Member for comment so as to allow as many Members as possible to speak within the time permitted. Each Member will only be allowed to speak more than once during Open Forum at the discretion of the Board. No Member may speak a second time until all Members wishing to speak have had an opportunity to speak once.

7. Sign-Up Sheets. A sign-up sheet will be made available to Members immediately prior to the meeting. Any Member wishing to comment at the ensuing meeting may add his/her name to the sign-up sheet. Subject to the remaining provisions of this policy, Members will be recognized for comment at the meeting in the same order as their names appear on the sign-up sheet. All Members wishing to comment who have not placed their names on the sign-up sheet will nonetheless be permitted to speak, time permitting.

8. Attorney-Client Privileged Communications. Upon the final resolution of any matter for which the Board 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.

9. Recording of Meetings. Note taking is permitted. However, video or audio recording of all or any portion of any meeting by any Member, or their designated representative, is prohibited.

10. Member Conduct. No Member is entitled to speak until recognized by the chair. There shall be no interruption of anyone who has been recognized by the chair except by the chair. Specific time limits set for speakers shall be strictly observed. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. All comments are to be directed to the chair and not other individual participants. All comments are to be restricted to the agenda item being discussed. Courteous behavior is mandatory.

11. Curtailed Member Conduct. Should the chair determine that any Member has spoken for the allocated amount of time or longer, or determine that the Member is in violation of the provisions of this policy, the chair shall have the authority to instruct that Member to yield the floor, and that Member will be obligated to comply with the chair's instruction.

12. Disruptive or Unruly Behavior. If a Member refuses to stop talking after his/her allotted time has ended, or otherwise disrupts the meeting, or is otherwise in violation of the provisions of this policy, the following procedure will be followed:

- a. The chair will issue an oral warning that if the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, either the meeting will be adjourned and/or law enforcement/security will be called to remove the Member.
- b. If the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, the chair will call a recess and speak directly to the Member, reiterating that either the meeting will be adjourned and/or law enforcement/security will be called to remove the Member.
- c. If the Member still refuses to cooperate, the chair may choose whether to adjourn the meeting to another time and/or to call law enforcement/security.

13. Executive Session. Notwithstanding any other provision in this policy, the Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the Board; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of the Colorado Common Interest Ownership Act, as amended from time to time, or other applicable law. The matters to be discussed at such an executive session are limited to:

- a. 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;
- b. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- c. Investigative proceedings concerning possible or actual criminal misconduct;
- d. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- e. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including a disciplinary hearing regarding a unit owner and any referral of delinquency; and/or,
- f. Review of or discussion relating to any written or oral communication from legal counsel.

Prior to the time the Board members convene in executive session, the chair shall announce the general matter of discussion as enumerated in

paragraphs (a) to (f) above. No rule or regulation of the Board shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following an executive session.

14. Miscellaneous.

- a. Waiver. The Association's failure to enforce any provision of this policy shall in no event be deemed to be a waiver of the right to do so thereunder.
- b. Supersedes Prior Policy. This policy supersedes any other policy previously adopted by the Board addressing conduct at Board and Member Meetings.
- d. Severability. If any provision of this policy is or becomes illegal, invalid, or unenforceable, that shall not affect the validity or enforceability of any other provision of this policy.
- e. Supplement to Law. The provisions of this policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

HOMESTEAD IN THE WILLOWS HOMEOWNERS ASSOCIATION COVENANT ENFORCEMENT POLICY Adopted September, 2022

The following procedures have been adopted by Homestead in the Willows Homeowners Association ("Association") pursuant to the provisions of C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To adopt a policy setting forth procedures for the enforcement of the Association's restrictive covenants and rules.

NOW, THEREFORE, IT IS RESOLVED that the Association adopts this Covenant Enforcement Policy ("Policy") for the enforcement of the Association's restrictive covenants and rules:

I. General Provisions

1. Power. The Board of Directors (“Board”) has the authority to hear and make decisions regarding alleged violations and written complaints filed with the Board and impose fines or other sanctions pursuant to this policy. The Board may determine enforcement action on a case-by-case basis in the exercise of its reasonable business judgment and consistent with the law, and take other actions as it may deem necessary and appropriate to assure compliance with the Declaration of Restrictions of Homestead in the Willows Homeowners Association, as amended (“Declaration”), the Association’s Articles of Incorporation, Bylaws, and rules and regulations (collectively the “Documents”) promulgated thereunder and to further the Documents’ purposes.

2. Other Enforcement Remedies. These enforcement procedures may be in addition to other specific remedies outlined in the Documents. The Association is not required to follow these enforcement procedures before seeking remedies that do not include the levying of fines or bringing legal action against an Owner. The Association may seek assistance with towing and from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate.

3. Responsibility for Actions of Tenant or Guest. Owners are responsible for the actions of their tenants and guests. If an Owner’s tenant or guest violates the Documents and a fine is imposed, the fine shall be assessed against that Owner.

4. Reporting Violations. An Owner may report a violation of the Documents by filing a written complaint with the Association’s Board or community association manager. In addition to acting upon a complaint by an Owner, the Board or community association manager, upon their own discovery of an alleged violation of the Documents, may initiate these enforcement

procedures upon a reasonable determination that a violation has been committed. All complaints shall be maintained with the Association’s records relating to the Unit associated with the complaint, but are not records that the Association must produce under C.R.S. § 38-33.3-317. The written complaint by an Owner reporting a violation shall state the specific provision(s) of the Documents alleged to have been violated and as many specifics as are available as to time, date, location, and persons involved. While the Association will not accept anonymous complaints, the Association is not obligated to disclose the identity of the complaining party unless otherwise required by law.

5. Impartial Decision-Maker. The Association shall rely upon an impartial decision maker for all decisions concerning potential violations. An impartial decision maker is a person or group of persons who do(es) not have any direct personal or financial interest in the outcome. A decision maker will not be deemed to have a personal or financial interest in the outcome, if the outcome will not cause the decision maker any greater benefit or detriment than the community’s general membership.

6. General Notice Requirements. If the Association determines that a Unit Owner or someone acting through them has violated the Documents, the Association shall send the Unit Owner a Health & Safety Notice, as described in section 10, below, *or* a Notice of Violation, as described in section 15, below. All notices must be in English and in any language the Unit Owner (“Respondent”) has indicated a preference for pursuant to C.R.S. § 38-33.3-209.5(1.7)(a)(1). In addition, all notices must include (a) the details of the complaint, or include a copy of the complaint; (b) the action or actions that may be taken by the Association in response to the alleged violation, including the interval upon which fines may be imposed if the

violation is continuing in nature and the time after which the Association may commence legal action to obtain compliance; (c) the action or actions required to cure the alleged violation; (d) the Respondent's right to be heard, either orally or in writing; and (d) the process to request and schedule an in-person hearing.

7. Additional Notices. The Association may send additional notices to the Respondent, either before or after the notices specifically set forth in this policy.

8. Confirmation of Cure. Once the Respondent cures a violation, the Association shall notify the Respondent that the Respondent will not be further fined with respect to that specific violation and of any outstanding fine balance that the Respondent owes to the Association.

II. Health and Safety Violations

9. Definition. Health and safety violations are those violations that have the potential to affect a person's mental or physical condition and circumstances likely to cause danger, risk, or injury to people, pets, or property. These violations may include, but are not limited to: noise violations; fire hazards; hoarding; infestations of insects, mice, rats, or other vermin; short-term rental violations; parking violations; structural, electrical, or plumbing alterations; harassment; and violations of local, state, or federal law intended to protect public health and safety.

10. Notice of Health & Safety Violation. If the Association reasonably determines that a health and safety violation has occurred, it shall send a notice ("Health & Safety Notice") to the Respondent that meets the requirements set forth in section 6, above, and demands the Respondent cure the violation within 72 hours of receiving the Health & Safety Notice or face fines, legal action, or both. The Health & Safety Notice shall also state that if the Respondent fails to cure the violation within the initial 72-hour compliance window, the Association may then assess fines for the ongoing violation every other day. If possible, the Association shall send the Health & Safety Notice to the Respondent by email, to the email address provided by Respondent to the Association. If Respondent

has not provided the Association with an email address, the Association shall send the Health & Safety Notice by regular U.S. Mail, and may also send it by certified mail, return receipt requested, or by posting it at the Unit. The Health & Safety Notice shall include the fine schedule set forth in section 12, below. In addition, the Health & Safety Notice shall inform the Respondent that they may appeal any fine by submitting a written request for a hearing within 14 days of the date the Association issues the Health & Safety Notice.

11. Inspection. The Association shall inspect to see whether the Respondent has cured the health and safety violation as soon as practicable after the 72-hour cure period has passed. If the Respondent has failed to cure the violation, the Association may impose fines on the Respondent in accordance with section 12, below.

12. Fines for Health & Safety Violations. If the Respondent fails to cure a health and safety violation within 72 hours of receiving the Health & Safety Notice, the Association may fine the Respondent as frequently as every other day for ongoing or repeated violations according to the following fine schedule:

<u>Fines for Discrete Violations</u>	<u>Fine Amount</u>
First Violation	\$500.00
Second Violation	\$750.00
Third & Subsequent Violations	\$1,000.00

13. Request for Hearing. Respondents may request a hearing regarding any fine for a health and safety violation by submitting a written request to the Association within 14 days of the date the Association issues the Health & Safety Notice or assesses a fine for the violation assigned in the Health and Safety Notice. The hearing shall comply with the procedures set forth in section 21, below.

14. Commencement of Legal Action. If the Association determines that Respondent has failed to cure a health and safety violation within the 72-hour cure period, the Association may commence legal action in accordance with section 23, below.

III. Regular Violations

15. Notice of Violation. If the Association reasonably determines that a violation of the Documents has occurred, and it is not a health and safety violation as defined above in Section 8, the Association shall send a notice to the Respondent (“Notice of Violation”) that meets the requirements set forth in section 6, above, as well as this section. The Association shall send the Notice of Violation by certified mail, return receipt requested, as well as by prepaid, first-class United States mail, addressed to the Respondent’s mailing address appearing on the Association’s records. The Association may also send the Notice of Violation to any electronic mail address on file with the Association and provided by the Respondent. The Notice of Violation shall advise the Respondent that they have 30 days to cure the violation (“First Cure Period”) which commence on the date the Association issues the Notice of Violation and shall further provide for a second consecutive 30-day cure period (“Second Cure Period”) in the event the violation is not cured within the First Cure Period.

The Notice of Violation shall include the fine schedule set forth in section 18, below, and inform the Respondent that if they fail to cure the violation within the First Cure Period or Second Cure Period, the Association will assess one or more fine(s) in accordance with the schedule.

Further, the Notice of Violation shall inform the Respondent that if they cure the violation within the First Cure Period or Second Cure Period, they may provide the Association with written notice of the cure (“Notice of Cure”) and that if the Notice of Cure includes visual evidence that the violation has been cured, the violation is deemed cured as of the date the Respondent sends the notice.

Finally, the Notice of Violation shall inform the Respondent that they may submit a written request for an in-person hearing within 14 days of the date the Association sends the Notice of Violation or assesses a fine for the violation described in the Notice of Violation.

16. Notice of Cure. If the Respondent cures the violation within any Cure Period, the Respondent may send the Association a written Notice of Cure. If the Respondent includes visual evidence that they have cured the violation, the violation is deemed cured on the date the Respondent sends the notice. If the Respondent does not provide visual evidence with their Notice of Cure, the Association shall inspect for compliance as soon as practicable after receiving the Notice of Cure.

17. Inspection. The Association shall inspect Respondent’s property within seven days after expiration of each Cure Period and shall notify the Respondent if the violation remains uncured and whether any fine has been assessed. If a violation has not been cured within the First Cure Period or Second Cure Period, regardless of any notice provided or hearing requested by the Respondent, the Association may assess a fine as provided in this Policy.

18. Fines for Regular Violation. Fines may be levied by the Board or the impartial decision maker for regular violations of the Documents as follows:

<u>Fines for Discrete Violations</u>	<u>Fine Amount</u>
First violation (first Notice of Violation)	\$50.00
Second violation (second Notice of Violation)	\$200.00
Third violation (third Notice of Violation)	\$250.00

19. Request for Hearing. Respondents may request a hearing to appeal any fine for a regular violation by submitting a written request to the Association within 14 days of the date the Association issues the Notice of Violation or assesses a fine for the violation described in the Notice of Violation. The hearing shall comply with the procedures set forth in section 21, below.

20. Commencement of Legal Action. If the Association determines that Respondent has failed to cure a regular violation within the Second Cure Period, the Association may commence legal action in accordance with section 23, below.

IV. Hearing Procedure

21. Hearing to Appeal Fines. If a Respondent timely requests a hearing regarding a fine, the Association shall schedule a hearing and provide the Respondent with written notice of date and time at least 7 days in advance. The Board may grant continuances for good cause. Each hearing shall be held by the Board or another impartial decision maker appointed by the Board. The Board or the impartial decision maker may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit it to reach a just decision. The Respondent is required to attend the hearing and may present relevant evidence. If the Respondent fails to attend the hearing, Respondent will be deemed to have waived their right to appeal the fine(s) in question and the Association shall not be required to provide Respondent with any further notice regarding such fines. Any interested party may present relevant evidence at the hearing. Any decision by the Board or the impartial decision maker shall be fair and reasonable taking into consideration all the relevant facts and circumstances.

22. Decision on Fine Hearing. The Board or other impartial decision maker shall render its decision on whether to rescind the fine(s) in question based on the information contained in the complaint, evidence presented at the hearing (if any), and the Respondent's written response (if any), and considering all the relevant facts and circumstances. If the Board does not inform the Respondent of its decision at the time of the hearing, Board will provide a written notice of the decision to the Respondent's address of record via regular U.S. mail within five (5) business days after the decision is made.

V. Commencement of Legal Action

23. Commencement of Legal Action. The Association is not required to impose fines before seeking to enforce the Documents by taking legal action, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief, damages, or both.

However, the Association shall not commence legal action for a health and safety violation until it has confirmed, through inspection, that the Respondent has failed to cure the violation within 72 hours of receiving the Health & Safety Notice. Similarly, the Association shall not commence legal action against the Respondent for a regular violation until the Association has confirmed, through inspection, that Respondent has failed to cure the violation before the end of the Second Cure Period.

24. Liability for Attorney's Fees, Costs, and Damages. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding or correspondence under this Policy. If a violation involves damage to Association property, the Association may charge the Respondent for the costs of repair or replacement.

25. Lien. Fines imposed pursuant to this Policy shall become an Assessment imposed against the record Owner's real estate and enforceable as provided in the Declaration; fines are part of the Association's lien but are not subject to a foreclosure action.

VI. Alternative Remedies

26. Suspension of Privileges. In addition to levying fines, and without limiting the Association's remedies under the Documents, the Board may suspend membership privileges, which may include, but shall not be limited to, suspension of access to Association amenities and suspension of voting privileges, and impose other sanctions in accordance with the Documents and applicable Colorado law. The Association is not required to follow the procedures set forth in this Policy to suspend membership privileges and instead may follow other procedures specified in the Documents for such suspension. If the Documents do not specify procedures for suspension of privileges or state conditions for when procedures are automatically suspended, the Association shall provide reasonable notice and opportunity for a hearing prior to the suspension of privileges. The Board may revoke or suspend the violator's privileges for a period of time equal to the

duration of the violation and for up to 60 days thereafter, unless such violation is a continuing violation, in which case such suspension may continue for as long as such violation continues and for up to 60 days thereafter. However, nothing in this section shall require notice and an opportunity for the suspension of voting privileges if the Documents do not require a hearing.

27. Owner-to-Owner Enforcement. Individual Owners have the right to enforce the Documents against other Owners and are not bound by the procedural and notice requirements imposed on the Association by C.R.S. § 38-33.3-209.5. Consequently, certain types of violations may be best handled through Owner-to-Owner legal action.

28. Governmental Enforcement. If a violation of the Documents also constitutes a violation of local, state, or federal law, the Association may request that the applicable governmental entity enforce that law.

VII. Miscellaneous

29. Waiver. The Association's failure to enforce any provision of this policy is never a waiver of the right to do so thereafter.

30. Communications. Any Owner may provide the Association with written notice of any additional designated contact for correspondence and notices, as well as any language other than English that the Owner prefers for correspondence and notices by Certified Mail, Return Receipt Requested, and electronic mail to the address used by the Association for receipt of complaints. The Owner is responsible for all costs incurred by the Association in providing notices and translations as provided herein.

31. Severability. If a provision of this policy is or becomes illegal, invalid, or unenforceable, that shall not affect the validity or enforceability of any other provision of this policy.

32. Supersedes Prior Policy. This policy supersedes any other policy previously adopted by the Board addressing the enforcement of the Association's restrictive covenants and rules.

Policy Regarding Dispute Resolution

Adopted September 10, 2013

The following procedures have been adopted by Homestead in the Willows Homeowners Association, Inc. ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5 at a regular meeting of the Board of Directors.

Purpose: To provide a more efficient means of resolving disputes or claims involving the Association and/or the Association's governing documents and to reduce the costs and fees associated with dispute resolution.

WHEREAS, the Colorado Common Interest Ownership Act, in C.R.S. 38-33.3-124, encourages common interest communities to adopt protocols that make use of mediation in resolving disputes between the Association and one or more unit owners.

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

1. **Dispute Resolution Procedures**. Except as otherwise provided in this policy, the following procedures will be followed in all disputes or claims involving the Association and/or the Association's governing documents.

A. Prior to proceeding with any claim, the party asserting the claim ("Claimant") shall give written notice of such claim to all opposing parties ("Respondent"), which notice shall state plainly and concisely:

(i) the nature of the claim, including all persons involved and Respondent's role in the claim;

(ii) the legal or contractual basis of the claim (i.e. the specific authority out of which the claim arises); and

(iii) the specific relief and/or proposed remedy sought.

B. After the Respondent receives the notice of claim, the parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the claim by good faith negotiation. Such efforts may include inspections of the Claimant's or the Respondent's Lot for purposes of evaluating any alleged violation. Any party may be represented by attorneys and independent consultants to assist in the negotiations and to attend meetings.

C. If the parties do not resolve the claim through negotiations within sixty (60) days after submission of the claim to the Respondent, the parties shall make a good faith effort to submit the claim for mediation. In the event the parties are unable to agree on a mediator, a mediator shall be appointed upon application of either party to the District Court of Arapahoe County. In such event, the claim shall be deemed to be submitted upon filing the petition for appointment of the mediation.

D. Any settlement of the claim through mediation shall be documented in writing by the mediator and signed by the parties. If a termination of the mediation occurs, the mediator shall issue a written statement advising that the parties are at an impasse.

E. Unless otherwise agreed, each party shall bear its own costs of the mediation, including attorneys' fees, and each party shall share equally all charges of the mediator.

F. Upon termination of mediation if no resolution is reached, if Claimant desires to pursue the claim, Claimant shall thereafter be entitled to file an action in any court having jurisdiction in Arapahoe County for final resolution of the claim.

G. In any action, the court shall award the substantially prevailing party its reasonable costs and attorneys' fees.

1. **Exclusions.** Unless all parties to the actions outlined below otherwise agree, the following disputes or claims shall not be subject to the provisions of this policy:

A. An action by the Association relating to the collection or enforcement of the obligation to pay assessments or other charges set forth in the Association's governing documents; and

B. An action by the Association to obtain a temporary restraining order or preliminary or permanent injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to enjoin any immediate threat to persons or property; and

C. Any action between or among unit owners that does not include the Association as a party, if such action asserts a claim which would constitute a claim for relief independent of the Association's governing documents; and

D. Any action in which any indispensable party is not the Association, its officers, directors, or committee members, or a person subject to the Association's governing documents, or their officers, directors, partners, members, employees and agents; and

E. Any action involving the Association or the Association's governing documents with a claim value that is less than \$7500; and

F. Any action to enforce a settlement agreement made under the provisions of this policy.

3. **Judicial Enforcement.** If the parties agree to a resolution of any claim through negotiation or mediation in accordance with this policy, and any party thereafter fails to abide by the terms of such agreement, then any other party may file its action in court to enforce such agreement without the need to again comply with the procedures set forth in this policy. In such event, the party taking action to enforce the agreement shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties as the court may determine) all costs incurred in enforcing such agreement, including without limitation, reasonable attorneys fees and court costs.

4. **Statute of Limitations.** The Claimant need not follow the procedures set forth above if the Claimant would be prejudiced by the running of or lapse of an applicable statute of limitation or statute of repose. In addition, no claim may be initiated after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitation or statute of repose.

5. **Interaction with Enforcement Policy.** It is not the intent of this policy to supersede any of the provisions of the Association's Enforcement Policy. Nor is the intent of this policy to require the Association to follow the procedures set forth herein before having the ability to bring enforcement action or impose fines or other sanctions under the Enforcement Policy.

Director Conflict of Interest Policy

Adopted November 30, 2005

The following procedures have been adopted by the Homestead in the Willows Homeowners Association, Inc. ("Association") pursuant to C.R.S. 38-33.3-209.5, at a meeting of the Board of Directors.

Purpose: To adopt a policy governing the handling of conflicts of interest of Board members;

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy to govern the handling of conflicts of interest of Board members:

1. If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any 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, then that interested Board member shall declare at an open meeting of the Board, that a conflict of interest exists and shall describe in detail all of the particular facts of the conflict of interest.

2. The interested Board member may deliver to the Board a letter setting forth a detailed summary of the conflict of interest, which letter shall be read out loud by a non-interested Board member at an open meeting of the Board.

3. After the interested Board member makes such a declaration, the interested Board member may participate in a discussion of the matter giving rise to the conflict of interest. However, the interested Board member may not vote on the issue giving rise to the conflict of interest. If there is compliance with the terms of this policy, a majority of the disinterested Board members, or any higher number required by the Association's governing documents, may in good faith authorize, approve, or ratify the conflicting interest transaction.

4. The interested Board member may be counted as present when determining whether a quorum of the Board exists.

5. Any contract entered into in violation of this policy is void and unenforceable.

Home Occupation/Residential Purposes Policy

Adopted February 13, 2007

The following policy has been adopted by the Homestead in the Willows Homeowners Association, Inc. ("Association") at a meeting of the Board of Directors.

Purpose: To clarify the meaning of the phrase "residential purposes" as stated in our covenant documents to allow the use of a residence for home occupation that does not change the quality and character of our community.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the use of a residence for home occupation.

1. The home occupation will not change the appearance or character of the residence and/or community.
2. The home occupation should be conducted primarily within the principal dwelling structure, the residence.
3. Only occupants of the residence may perform the home occupation.
4. No visible advertising of the home occupation will be permitted.
5. No outdoor storage of goods or materials associated with the home occupation will be permitted.

6. No excessive or offensive noise, vibration, smoke, dust, odors, heat, glare, light or dumping of materials produced by the home occupation will be permitted.

7. The delivery of goods or supplies for use in the home occupation will be limited to the US mail, parcel post, general delivery services or private passenger vehicle. This excludes trucks and/or trailer-delivered goods or supplies.

8. Any sales conducted in conjunction with the home occupation will be primarily by telephone, internet, or direct mail. Incidental pick-ups of goods will be permitted; however, the home occupation will not generate an amount of traffic that affects the residential appearance or character of the community or encourages groups of people for extended periods of time.

Policy Regarding Inspection And Copying Of Association Records

Adopted November 30, 2005

Revised January 8, 2013

The following policy and procedures have been adopted by Homestead in the Willows Homeowners Association, Inc. ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To establish a uniform policy and procedures for the inspection and copying of Association records by Association Owners; to establish the type of records kept by the Association or its agent; and to establish the cost of copying Association records.

WHEREAS, the Colorado Common Interest Ownership Act, in C.R.S. 38-33.3-317, gives all Owners the right, during reasonable business hours, to examine and copy the financial and certain other records of the Association.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the

following policy governing the inspection and copying of Association records:

1. **Association Records.** The following shall be the sole records of the Association for purposes of document retention and production to Owners:

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

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

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

(d) Written communications among, and the

votes cast by, Board members that are:

- (i) Directly related to an action taken by the Board without a meeting pursuant to section 7-128-202, C.R.S.; or
- (ii) Directly related to an action taken by the Board without a meeting pursuant to the Association's bylaws;
- (e) The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Owner is entitled to vote;
- (f) Its current Declaration, Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, responsible governance policies adopted pursuant to section 38-33.3-209.5, and other policies adopted by the Board;
- (g) Annual financial statements and most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations for the past three years and tax returns of the Association for the past seven years, to the extent available;
- (h) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;
- (i) Its most recent annual report delivered to the Secretary of State;
- (j) Financial records sufficiently detailed to enable the Association to comply with section 38-33.3-316(8) concerning statements of unpaid assessments;
- (k) The Association's most recent reserve study, if any;
- (l) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;

- (m) Records of Board or Committee actions to approve or deny any requests for design or architectural approval from Owners;
- (n) Ballots, proxies, and other records related to voting by Owners for one year after the election, action, or vote to which they relate;
- (o) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- (p) All written communications within the past three years to all Owners generally as Owners;
- (q) The Association's operating budget for the current fiscal year;
- (r) A list of all Association insurance policies, including, but not limited to, property, general liability, Association director and officer professional liability, and fidelity policies, which list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed; and
- (s) Any records specifically defined in the Association's Declaration or Bylaws and not enumerated in this policy.

2. Request for Records. All records maintained by the Association shall be available for examination and copying (including electronic transmission if available) by an Owner or the Owner's authorized agent. Any Owner or authorized agent requesting records must submit a written request, describing with reasonable particularity the records sought, at least ten (10) days prior to inspection or production of the documents. Records may be inspected and copied between 9 AM and 3 PM, Monday, Wednesday and Friday, except for holidays, at 5896 E. Geddes Ave., Centennial CO 80112. Notwithstanding the above, at the discretion of the Board, all records may also be inspected at the next

regularly scheduled meeting if such meeting occurs within thirty (30) days after the request to inspect has been received. Any permitted inspection must not disrupt the ordinary business activities of the Association or its managing agent.

3. Charges for Records. The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of Association records, which may include the cost or recovery and re-storage of off-site records. The charge may not exceed the estimated cost of production and reproduction of the records. Unless otherwise provided in a Board resolution, the pertinent parts of which shall be attached to the policy, the Association will charge twenty-five cents (\$.25) per page for copies, including electronic scans, of records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.

4. Purpose of Records Request. The Association may not condition the production of records upon the statement of a "proper purpose," except that Association records and the information contained therein shall not be used for any commercial purpose.

5. Membership Lists. A membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner without the prior consent of the Board. Without limiting the foregoing sentence, without the consent of the Board, a membership list, or any part thereof, may not be (a) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association; (b) used for any commercial purpose; or (c) sold to or purchased by any

person.

6. Records That May Be Withheld.

Records maintained by the Association may be withheld from inspection and copying at the Board's discretion to the extent that they are or concern:

- (a) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
- (b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including but not limited to confidential litigation files and matters covering consultation with legal counsel concerning disputes that are subject of pending or imminent court proceedings or are privileged or confidential between attorney and client.;
- (d) Disclosure of information in violation of law;
- (e) Files dealing with investigative proceedings concerning possible or actual criminal misconduct;
- (f) Records of an executive session;
- (g) Individual Lots other than those of the requesting Owner;
- (h) Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board of Directors; or
- (i) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

7. Records That Must Be Withheld.

Records maintained by an Association are not subject to inspection and copying, and

shall be withheld, to the extent that they are or concern:

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

(b) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers; except that, the Association may disclose electronic mail addresses with the written consent of the individual Member.

8. Board's Discretionary Rights. At the discretion of the Board, certain records may only be inspected in the presence of a Board member. No records may be removed from the Association's principal office without the express written consent of the Board. If an Owner requests to inspect records, the Association may photocopy and provide the requested records to the Owner in lieu of the Owner's inspection of the records, if consented to and paid for by the Owner.

9. Commercial Purpose. Association records and the information contained therein shall not be used for commercial purposes.

10. No Obligation to Create Documents. The Association is not obligated to compile or synthesize information in its records. If the Association agrees to compile or produce information or documents not identified in this policy as an Association record, the Association may charge additional fees to the requesting Owner to cover the actual expenses associated with such compilation or production.

11. Damages. The Association reserves the right to pursue any individual for damages or injunctive relief or both, including reasonable attorneys' fees, for abuse of these rights, including, but not limited to, use of any records for a prohibited purpose.

12. Deviations. The Board or its agent may deviate from the procedures set forth

in this policy if in its sole discretion such deviation is reasonable under the circumstances.

13. Supersedes Prior Policy. This policy supersedes in its entirety any other policy previously adopted by the Board addressing the inspection and copying of Association records.

Records Retention Policy

Adopted February 13, 2007

The following policy has been adopted by the Homestead in the Willows Homeowners Association, Inc. (“Association”) pursuant to Colorado Law, at a regular meeting of the Board of Directors.

Purpose: To establish a uniform and systematic policy for retention, storage and disposal of the Association’s records.

Records Retention Philosophy: Through its operation, the Association generates and receives numerous records and documents. Some of these documents and records should be kept permanently, and others should be kept for varying periods of time. Establishing a policy for records and document retention and disposal permits the Association to minimize its storage costs as well as the inconvenience of maintaining a large collection of records and documents, as well as assuring that important records and documents are available when needed.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following records and documents retention policies:

1. The following types of records shall be kept for the periods specified:

Record	Retention Period
Documents	
Ownership/membership records	Permanent
Deeds, plats, maps	Permanent
Governing documents – Declaration of Covenants and Restrictions and any amendments, supplements and addendums	Permanent
Governing documents – articles of incorporation and amendments	Permanent
Governing documents – bylaws and amendments	Permanent
Governing documents – board policies/resolutions	Permanent
Governing documents – rules and restrictions	4 years after superseded by new rules
Governing documents – architectural guidelines and amendments	Permanent
Minute books – annual meetings and board meetings	Permanent
All actions taken by homeowners or board by written ballot or written consent in lieu of a meeting	Permanent
All actions taken by a committee of the board	Permanent
All waivers of notice of meetings of homeowners and of the board or any committee of the board	Permanent
Minute books - committees	4 years
Architectural plans – approved and disapproved	Permanent
Employee Records	
Employee personnel records	6 years
Payroll records and summaries	6 years
Financial Records	
Accounts payable and receivable records	7 years
Bank Statements, canceled items, and reconciliations	7 years
Certificates of deposit	7 years
Budgets	7 years

Financial statements	7 years
General ledgers	7 years
Checks	7 years
Depreciation schedules	6 years after disposal of the depreciated asset
Inventories	7 years
Invoices	7 years
Billing (owners) records	7 years
Purchase orders	7 years
Subsidiary ledgers	7 years
Audits and year-end financials	Permanent
Tax returns	Permanent
Tax documents relating to preparation of tax returns	7 years after tax return filed
Other financial records	7 years
General	
Contracts (current and expired)	7 years
Correspondence (general)	3 years
Legal/Insurance/Claims	
Court filings and pleadings (foreclosures, county court and small claims actions, liens)	7 years after completion of the action
Accident reports and claims (current and settled)	7 years after matter settled
Record	Retention Period
Insurance policies	7 years after policy expiration
Pending court action – records related to or used in the action	Until completion of the action, and then for 3 years following the action completion

2. The association shall keep all of the specified records at the Association’s regular office, or with a records management company, so long as such records can be retrieved from the records management company upon not more than three business days notice. No records management company or association management company may dispose of the Association’s records without the Association’s written consent.

3. Any documents not required to be kept under the above specified schedule may be disposed of

by destruction in a manner determined by the Board, so long as such manner of destruction preserves confidentiality of the documents. Such methods may include shredding, incineration or pulverization, but shall not include disposal without destruction. Electronic files must be destroyed by erasure of the electronic data from all computers having access to and storing such data.

4. It is the responsibility of the Office Manager working along with the Board Secretary to ensure that the records retention policy is followed.

Policy Regarding Reserves

Adopted July 9, 2013

The following policy has been adopted by Homestead in the Willows Homeowners Association, Inc. (AAssociation@) pursuant to the provisions of C.R.S. 38-33.3-209.5, in accordance with the Association’s Adoption and Amendment of Policies Policy.

Purpose: To adopt a policy addressing the need for a reserve study, funding of any work recommended by the reserve study and projected sources of funding, and whether the reserve study is based on a physical analysis and financial

analysis. [It is the Board's desire to create and maintain adequate reserves to provide for the orderly maintenance, repair, replacement and improvement of the Common Properties so as to minimize the risk to the membership of special assessments, deferred maintenance, or unfunded losses.]

NOW, THEREFORE, IT IS RESOLVED that the Board of Directors does hereby adopt the following policy regarding reserves:

Need for Reserve Study

1. The Association is obligated to maintain, repair, replace or improve certain improvements within the community.

Reserve Study

2. The Association will conduct periodic reserve studies based on an internal examination of the common areas and improvements and a financial analysis of the requisite reserves as required by this policy.

3. Depending on available resources, the Association may either engage a third-party or may make in-house interim updates to a professional reserve study and may adjust the schedule for updating the reserve study. An update to a reserve study may result from an on-site review of the property or an off-site review of the reserve study and the Association's governing documents. The Board of Directors should consider the following factors when determining the schedule for interim updates to a reserve study:

(a) Significant additions or replacements to the common elements since the last reserve study;
(b) Wear and tear to common elements due to unseasonable weather or lack of maintenance;

(c) Technological or product development improvements that could result in cost savings;

(d) Substantial increases in cost of materials or labor;

(e) Any scheduled maintenance, repairs, or replacements that the Association deferred or accelerated;

(f) Whether reserve income was received as planned;

(g) Whether reserve expenditures were incurred as planned;

(h) The Association's selected method of funding reserves.

4. The full reserve study will consist of a physical analysis and a financial analysis. Interim updates may consist of a physical analysis, a financial analysis, or both. A physical analysis includes an inventory of all improvements that the Association is responsible for maintaining, repairing, replacing or improving and a visual inspection of those items to determine their existing condition. A financial analysis includes an evaluation of the estimated remaining life of an item, the adequacy of existing reserve funds, projected future reserve income, projected future reserve needs, and the ability to meet future reserve needs under the existing funding plan.

5. The last reserve study prepared for the Association was completed by Bourne Engineering in 2009.

6. As of the date of this policy, the Association plans to have its Board of Directors review the reserve study annually to determine whether a formal update is necessary, and to make appropriate recommendations to the Board regarding this review.

Funding Plan

7. The Board of Directors will endeavor to maintain the Association's reserve fund balance at or above \$100,000.00 by allocating a portion of regular annual assessments to the reserve fund. Should unforeseen circumstances result in the reserve fund balance falling below \$100,000.00,

the Board will endeavor to bring the fund balance back to \$100,000.00 within three (3) years by increasing the allocations from regular annual assessments, or by special assessments, or both.

8. The Association may elect to apply funds from its operating account to maintenance, repair

or replacement costs otherwise covered by reserve funds.

9. The Association will invest all reserve funds in accordance with the Association's policy regarding investment of reserve funds.

Reserve Fund Investment Policy

Adopted April 11, 2006

The following policy has been adopted by the Homestead in the Willows Homeowners Association, Inc. ("Association") pursuant to C.R.S. 38-33.3-209.5, at a meeting of the Board of Directors.

Purpose: To protect and ensure the safety of the assets and capital improvements of the Association and those volunteers who participate in the investment process and to further provide guidance to those who offer investment services to the Association, such as brokers/dealers, banks, consultants, and savings institutions.

The following investment policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal investment management of the Association's reserve funds. This policy does not set forth: (1) the minimum reserve fund balance required of the Association; (2) any mandate for an annual reserve fund study; or (3) the tax consequences of the investment options contained herein.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the investment of the Association's reserve funds:

I. Investment Objectives

All funds that are held for capital expenditures as a part of the reserve fund shall be deposited and invested by the Association in accordance with Colorado State Statutes and resolutions enacted by the Association's Board of Directors in a manner to accomplish the following objectives:

A. Safety of Funds: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital, with the objective of mitigating credit risk and interest rate risk.

1. Credit Risk: The Association will minimize credit risk, the risk of loss due to the failure of the financial institution, by:

- a. Limiting investments to the safest types of investments as provided for herein;
- b. Pre-qualifying the financial institutions, brokers/dealers, and advisors with which the Association does business; and
- c. Subject to the limitations herein, diversifying the investment portfolio so that potential losses on individual investments will be minimized.

2. Interest Rate Risk: The Association will minimize the risk of the market value of investments in the portfolio due to changes in general interest rates by:

- a. Structuring the investment portfolio so that investments mature sufficiently close to cash requirements for ongoing operations, thereby minimizing the potential need to sell investments prior to maturity; and
- b. Investing all funds primarily in short- to intermediate-term investments, and approved money market mutual funds.

B. Liquidity of Funds: The investment portfolio shall remain sufficiently liquid to meet all planned reserve fund expenditures for the following fiscal year. To ensure that adequate reserve funds are available to pay the Association's reserve expenditures, annual reserve fund investments

shall reasonably match the planned reserve fund expenditures for the following fiscal year.

C. Types of Investments: The reserve fund portfolio shall consist largely of Money Market Accounts and/or Certificates of Deposit.

D. Yield: Subject to the restrictions on the types of investments, the Association's portfolio shall earn a competitive market rate of return on available funds throughout budgetary and economic cycles. In meeting this objective, the Association, through the Board of Directors, will take into account the Association's investment risk, constraints, and cash flow needs.

II. Delegation of Authority

Responsibility for conducting investment transactions for the Association resides with the Treasurer. In cases where there is no one person holding the office of Treasurer, the Secretary may hold multiple offices of Secretary and Treasurer in accordance with the Amended and Restated Bylaws of May 17, 1990. The President of the Board of Directors will be considered an authorized person to assist the Treasurer in performing investment management, cash management, or treasury functions. Persons authorized to transact investment business for the Association are limited to these two officers and any qualified outside financial representative as designated by the Treasurer or President. The Treasurer will provide a copy of this investment policy to all of the Association's investment service providers. The Treasurer may engage the support services of outside professionals, subject to the availability of budgeted funds and approval from the Board of Directors. The Board of Directors shall provide a copy of this policy to the newly elected Treasurer at the assumption of office.

III. Ineligible Investments and Transactions

The Association shall not invest in the following asset classes:

- A. Individual stocks;
- B. Equity mutual funds, domestic or foreign;
- C. Mutual funds consisting of bonds or mortgages and or derivatives;
- D. Options on equity, debt or commodities;
- E. Floating rate securities or floating rate certificates of deposit; and
- F. Investment in a single institution in excess of FDIC insurance limits.

IV. Selection of Banks as Depositories and Providers of General Banking Services

Banks and savings institutions shall be approved by written resolution by the Board of Directors to provide depository and other banking services for the Association. To be eligible for authorization, a bank must be domiciled in the United States and have physical facilities for doing business in the State of Colorado, a member of the FDIC and must meet the minimum credit criteria of credit analysis provided by commercially available bank rating services. Banks failing to meet the minimum criteria, or, in the judgment of the Treasurer or Board of Directors, no longer offering adequate safety to the Association funds, shall be unauthorized to provide depository and other banking services for the Association.

V. Reporting

On an annual basis, an investment report shall be prepared and submitted by the Treasurer or an outside advisor, who will provide such report to the Board of Directors listing the reserve fund investments held by the Association and the current market valuation of the investments. The report shall include a summary of investment earnings during the prior fiscal year. The Association members shall have access to the list of Association reserve fund portfolio holdings.

VI. Policy Revisions

The Board of Directors shall review this reserve fund investment policy periodically and may amend the policy as conditions warrant. The Treasurer may recommend amendments to this policy as necessary.

BOARD RESOLUTION REGARDING REPEAT VIOLATORS

Adopted May 14, 2018

MOTION: The Board moves to approve and publish the following revised terms for Property Use and Maintenance Violation Fines, as stated in the Covenant Enforcement Policy and Procedures, along with any conforming updates to owner correspondence to provide for specific letters to Homeowners deemed “repeat violators” for fining purposes.

Property Use and Maintenance Violation Fines

Fines may be charged and accrue for every violation of the Governing Documents every 30 days as follows:

	Fixed Fine Amount
First fine assessment	\$250
Second fine assessment	\$500
Third fine assessment	\$750

After the third fine assessment, the next step will be to impose a lien on the property in compliance with the Association’s collection policy.

A Homeowner who accumulates three fine assessments within a 12-month period will be considered to be a repeat violator. In addition, any Homeowner who fails to correct violations identified by the Community Covenant Taskforce on or before the annual deadline for notifying the Association of compliance in any two (2) consecutive years shall be deemed a repeat violator for fine purposes. Without limiting the Board’s ability to fine or suspend membership privileges in accordance with these Policies and Procedures, continuing violations and repeat violators will be subject to the maximum fine and suspension of membership privileges as determined by the Board. After placing a lien on a property, the Board reserves the right to continue the maximum fine if the violation continues or remains uncorrected.

BOARD RESOLUTION FOR MOTORIZED VEHICLES

Adopted September 13, 2021

SUBJECT: Adoption of rule regarding operation of motorized vehicles on Common Elements in Homestead in the Willows.

AUTHORITY: Declaration of Restrictions of Homestead in the Willows Homeowners Association recorded on November 1, 1974 at Reception Number 1453381 at book number 2287 and page number 156 in the office of the Clerk and Recorder of Arapahoe County, Colorado, as it has been amended by the Homestead in the Willows Amendment to Declaration of Covenants and Restrictions executed on June 14, 1994 (hereafter collectively referred to as the

“Declaration”); and Section 38-33.3-302(1)(a) and (f) of the Colorado Common Interest Ownership Act.

RESOLUTION: WHEREAS, Homestead in the Willows Homeowners Association, Inc. (Association) is the owner of the Common Elements (as that term is defined in the Declaration) located in the Homestead in the Willows community, including greenspace and trails; and

WHEREAS, pursuant to the Declaration, the Association is required to manage and operate the Common Elements; and

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WHEREAS, pursuant to the Declaration, the Association has the authority to adopt and enforce rules and regulations as may be deemed necessary or desirable regarding the use of the Common Elements; and

WHEREAS, the Association's Board of Directors has determined that certain types of motorized vehicles create an undue risk of injury to operators and result in potential liability to the Association, and may cause unacceptable levels

of noise within the community, and it is in the best interests of the Association and its members that the Board adopt rules restricting the use of such vehicles within the Homestead in the Willows community.

NOW THEREFORE, the Board hereby adopts the following resolution:

Motorized vehicles may not be operated on any portion of the Common Element trails or greenspaces within Homestead in the Willows. For purposes of this rule, the term "motorized vehicles" shall mean any mechanical device that is propelled, in whole or in part, by an engine, whether electric or gasoline powered or powered by some other source, when such device is not registered with the Colorado Department of Revenue. Motorized vehicles shall specifically include, but not be limited to, go-karts, go-peds or scooters, and motorized bicycles. This rule shall not apply to use of motorized vehicles on private Lots.

BOARD RESOLUTION FOR HARASSMENT AND CODE OF CONDUCT

Adopted October 22, 2021

The following policy has been adopted by the Homestead in the Willows Homeowners Association, Inc. (the "Association") pursuant to the provisions of C.R.S. § 38-33.3-302 at a regular meeting of the Board of Directors.

Purpose: To provide notice of the Association's adoption of a policy that defines and prohibits harassment in the Homestead in the Willows Homeowners Association, Inc.'s community and establishes certain codes of conduct.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy prohibiting harassment in the community and establishing certain codes of conduct:

A. Harassment

1. Owners, their residents, guests, and

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invitees are prohibited from harassing any agent of the Association, including the Association's Board of Directors, officers, employees, community manager, vendors, and agents. It shall also be a violation of this Policy to harass other owners or residents.

2. Harassment shall include one or more of the following actions, whether in person, or by phone, or via any form of electronic media or other communication or correspondence:
 - a. Insulting, taunting, challenging, or making communications in offensive language to another in a manner likely to provoke a violent or disorderly response; or,

- b. Sending excessive correspondence, including mail, emails, or phone calls, beyond what is reasonable in the ordinary course of business; or,
- c. Deliberately and repeatedly triggering recording devices located on residents' property; or,
- d. Refusing to resolve differences in good faith and in a reasonable manner; or,
- e. Making repeated communications without allowing a reasonable amount of time to allow for adequate research, verification, and transmitted response to be provided; or,
- f. Making degrading, disrespectful, demeaning, or other hostile comments toward Board members, committee members, management, contractors, vendors, or other owners, or;
- g. Making insulting, patronizing, belittling, "name-calling," or condescending comments towards any person.

B. Code of Conduct

1. No Owner shall interfere with a contractor or vendor engaged by the Association while a contract is in progress. Owners shall not provide direction to the Association's contractor or vendors, including the Association's manager. All communications with the Association's contractors or vendors, other than the Association's manager, shall go through the Association's manager and/or the Board.
2. Owners have the right to attend Board and Owner meetings, as permitted by

Colorado law, and subject to any meeting policies and procedures adopted by the Board, such as a conduct of meeting policy. Should an Owner wish to raise a discussion item at a Board or Owner meeting, the Owner may do so in a civil manner, without the use of profanity, physical or verbal threats, or derogatory or insulting comments. Any issue raised will be responded to in a civil manner, and resolved or responded to in accordance with the Association's governing documents, either at the meeting at which the issue was raised, or within a reasonable period of time thereafter depending on the issue raised.

3. Any other communications to any agent of the Association, including the Association's Board members, officers, contractors, vendors, volunteers, employees, and manager, whether verbally or in writing, shall be done in a civil manner, without the use of profanity, physical or verbal threats, or derogatory or insulting comments.

C. Violations of Law

1. The following may be a violation of law. Any of the following behaviors should be reported to the police or appropriate law enforcement authorities for enforcement:
 - a. Striking, shoving, kicking, or otherwise touching a person or subjecting such person to physical contact without their consent; or,
 - b. In a public place, directing obscene language or making an obscene gesture to or at another person; or,
 - c. Following a person in or about a public place; or,
 - d. Initiating communication with a person, anonymously or otherwise, by

telephone, computer, or any electronic means in a manner intended to harass or threaten bodily injury or property damage, or making any obscene comment, request, suggestion, or proposal by telephone, computer, or any electronic means;
or,

- e. Making a telephone call or causing a telephone to ring repeatedly, whether or not a conversation ensues, with no purpose of legitimate conversation;
or,
- f. Making repeated communications, including, but not limited to, via mail, email, text, or telephone, that invade

the privacy of another's home, private residence, work place, or other private property.

D. **Enforcement**

1. A violation of this Policy shall be deemed a nuisance pursuant to the Declaration. The alleged violator shall be subject to any and all enforcement rights of the Association pursuant to the Declaration and the Association's enforcement policy, including but not limited to, fines up to \$500.00 per occurrence after notice and opportunity for hearing, initiation of legal proceedings, and any other terms and provisions of the Declaration and Colorado law governing the community.

2. In addition, if an Owner is found to be in violation of this Policy, the Board may require any and all future communication from such Owner to any agent of the Association, including the Association's Board members, officers, volunteers, employees, and manager to be only in writing and sent by U.S. mail. (An exception will be made for reporting emergency situations that will result in imminent damage to persons or property if left unattended.) If an Owner fails to comply with such a demand, the matter may be referred to the Association's attorney and the Association may thereafter require that all correspondence be sent by U.S. Mail to the Association's attorney.

RESOLUTION FOR RULES REGARDING FLAGS AND SIGNS

Adopted January 10, 2022

Homestead in the Willows Homeowners Association, Inc. (the “Association”) adopts the following Rules relating to the display of flags and signs within the Planned Community.

RECITALS

WHEREAS, Article VIII, Section 2(c), of the Declaration of Restrictions of Homestead in the Willows Homeowners Association, recorded on November 1, 1974, at Reception No. 1453381, in the real property records of Arapahoe County, Colorado (the “Declaration”), currently restricts the display of signs within the Planned Community.

WHEREAS, the Colorado Legislature recently enacted House Bill 21-1310, which states that, as a matter of public policy, associations may not prohibit the display of signs and flags within individual units and on individually-owned property, but allows for content-neutral restrictions.

WHEREAS, in accordance with Colorado law, the Association will not prohibit or regulate the display of flags or signs on the basis of their subject matter, message, or content.

WHEREAS, the Association desires and intends to adopt reasonable restrictions and regulations governing the display of flags and signs within the community and consistent with HB 21-1310.

NOW, THEREFORE, the Association adopts the following restrictions and regulations for the Planned Community, hereinafter referred to as the “Flag and Sign Rules” which shall be binding on all owners and their grantees, lessees,

tenants, occupants, successors, heirs, and assigns, and shall supersede any previously adopted rules on the same subject matter.

RULES

1. **Flags.** In accordance with Colorado law, the Association does not prohibit or regulate the display of flags on the basis of their subject matter, message, or content.
 - a. Location. Flags may be displayed on property wholly-owned by the Owner, in a window of the Living Unit, or on a balcony adjoining the Living Unit. If not displayed in a window, flags may only be mounted on a flag holder affixed to the Living Unit. No other flagpoles are allowed without Architectural Committee approval.
 - b. Quantity. No more than one flag may be displayed on any Lot at any time.
 - c. Dimensions. Flags may be no larger than 3’ x 5’.
 - d. Flags must be professionally designed and/or lettered.

2. **Signs.** In accordance with Colorado law, the Association does not prohibit or regulate the display of signs on the basis of their subject matter, message, or content.
 - a. Location. Signs may be displayed on property wholly-owned by the Owner or in a window of a Living Unit.

- b. Quantity. No more than one sign per Lot may be displayed at any given time.
 - c. Dimensions. Signs may be no larger than 18" x 24".
 - d. Signs must be professionally designed and lettered and cannot include any lighting or illumination.
 - e. Lettering and advertising on a vehicle count as a "sign" if lettering and graphics cover an area greater than 18" x 24".
- 3. **Common Areas and Streets**. No flags or signs of any kind may be placed on the Common Areas and Streets without prior authorization from the Association.
 - 4. **Enforcement**. If any provision of the Flag and Sign Rules is violated, the Association may take any enforcement action permitted by law or the governing documents. Fines may be imposed in accordance with the Association's policy regarding enforcement of covenants and rules.
 - 5. **Severability**. If any provision of the Flag and Sign Rules is ruled invalid, the remainder of these Rules shall remain in full force and effect.