GRAND ELK Owners Association

GRAND ELK OWNERS ASSOCIATION
POLICIES & PROCEDURES

Revised 2021

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GRAND ELK OWNERS ASSOCIATION
POLICY AND PROCEDURE
ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, AND RULES

Adopted April 1, 2009

The following policy and procedure has been adopted by the Board of Directors ("Board") of GRAND ELK OWNERS ASSOCIATION ("Association") pursuant to Colorado statutes, for adoption and amendment of policies, procedures and rules.

<u>Adoption of Policies, Procedures, Rules, Regulations, or Guidelines:</u>

<u>Scope:</u> The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy:

<u>Drafting Procedure:</u> The Board shall consider the following in drafting the Policy:

- whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;
- the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
- the immediate and long-term impact and implications of the Policy.

<u>Adoption Procedure:</u> After the period **(determined by the Board)** for Owner comment expires, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy, including the effective date shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the Association's website (if any) or mailing.

<u>Emergency:</u> The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy.

<u>Modification, Amendments, Repeal and Re-Enactment:</u> Notwithstanding anything to the contrary contained in these Rules and Regulations, the Association hereby reserves the right, at any time and from time to time hereafter, to modify, amend, repeal and/or re-enact these Rules and Regulations in accordance with the Declarations, Bylaws and applicable law.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of GRAND ELK OWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 1, 2009 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION,
a Colorado non-profit corporation
By ________________, Secretary

GRAND ELK OWNERS ASSOCIATION
POLICY AND PROCEDURE
CONDUCT OF MEETINGS

Adopted April 1, 2009

The following policy and procedures has been adopted by the Board of Directors ("Board") of GRAND ELK OWNERS ASSOCIATION, ("Association") pursuant to Colorado statutes, for the conduct of meetings.

<u>Conduct of Meetings:</u> The Bylaws of the Association govern the conduct of meetings of members of the Association and the Board of Directors, subject to the requirements of the Declaration, CCIOA and the Colorado Revised Nonprofit Corporation Act.

<u>Owner Meetings:</u> Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

<u>Notice of Member Meetings:</u>

In addition to any notice required in the Bylaws, notice of any member meeting of the Owners shall be conspicuously posted at the location of the meeting, during such meeting.

The Association shall also post notice on its website (if any) of all meetings. Such notice shall be posted the day of such meeting.

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

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of GRAND ELK OWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 1, 2009 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION,
a Colorado non-profit corporation
By ________________, Secretary

GRAND ELK OWNERS ASSOCIATION
POLICY AN PROCEDURE
INSPECTION, COPYING and RETENTION OF ASSOCIATION RECORDS

Adopted April 1, 2009
Amended February 19, 2014

The following policy and procedure has been adopted by the Board of Directors ("Board") of GRAND ELK OWNERS ASSOCIATION. ("Association") pursuant to Colorado statutes, for the inspection and copying of Association records.

The inspection and copying of Association records by Owners shall be allowed in accordance with the requirements of the Colorado Common Interest Ownership Act ("CCIOA") and the Colorado Revised Non-Profit Corporation Act.

I. Inspection of Records:

a) Subject to Subsections III, IV and Paragraph (b) of this policy, all records maintained by the Association must be available for examination and copying by a unit owner or the owner's authorized agent. The Association, or its managing agent, may require unit owners to submit a written request, describing in reasonable detail the records sought for inspection or production of the documents, and may limit examination and copying times to normal business hours or the next regularly scheduled executive board meeting, if the meeting occurs within thirty days after the request. Notwithstanding any provision of the Declaration, Bylaws, Articles, or Rules and Regulations of the Association to the contrary, the Association may not condition the production of records upon the statement of a proper purpose.

b) The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of association records. The charge may not exceed the estimated cost of production and reproduction of the records.

c) Without the consent of the executive 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; or
   d. obtained or used by any person for any purpose unrelated to a unit owner's interest as a unit owner.

II. Types of Records to be kept by the Association:

In addition to any records specifically defined in the Association's Declaration or Bylaws or expressly required by Section 38-33.3-209.4 of CCIOA, the Association must maintain the following, all of which shall be deemed to be the sole records of the Association for purposes of document retention and production to owners:

- Detailed records of receipts and expenditures affecting the operation and administration of the Association,
- Records of claims for construction defects and amounts received pursuant to settlement of those claims,
- Minutes of all meetings of its unit owners and Executive Board and a record of all actions taken by the Owners or the Executive Board without a meeting, and a record of all actions taken by any Committee of the Executive Board,
- Written communication among, and the votes cast by, Executive Board members that are:

    a. Directly related to an action taken by the Board without a meeting pursuant to Section 7-128-202 C.R.S or
    b. Directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws,

- The names of unit Owners in a form that permits preparation of a list of the names of all unit owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each unit owner is entitled to vote; except that this paragraph (5) does not apply to a unit, or the owner thereof, if the unit is a timeshare unit, as defined in section 38-33-110(7);
- Its current Declaration, Covenants, Bylaws, Articles of Incorporation, if it is a corporation, or the corresponding organizational documents if it is another form of entity, rules and regulations, responsible governance policies adopted pursuant to section 38-33.3-209.5, and other policies adopted by the executive board,
- Financial statements for the past three years as described in Section 7-136-106 C.R.S and tax returns for the past seven years, to the extent available,
- A list of the names, email addresses and physical mailing addresses of the current board members and officers,
- The most recent annual report delivered to the Secretary of State,
- Financial reports sufficiently detailed to enable the Association to comply with Section 38-33.3-316(8) concerning the status of unpaid assessments,
- The Association's most recent Reserve Study, if any,
- Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years,
- Records of Executive Board or Committee Actions to approve or deny any requests for design or architectural approval from unit owners,
- Ballots, proxies and other records related to voting by unit Owners for one year after the election, action or vote to which they relate,
- Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members,
- All written communications within the past three years to all unit Owners generally as unit Owners.

III. Records maintained by the Association <u>*may be withheld*</u> from inspection and copying to the extent that they are or concern:
    a. Architectural drawings, plans, designs may be withheld from disclosure to owners unless the Owner of such drawings, plans and designs provides written consent for their disclosure.
    b. Contracts, leases, bids or records related to transactions to purchase or provide goods or services that are currently in or under negotiation,
    c. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine,
    d. Disclosure of information in violation of law,
    e. Records of an Executive Session of the Executive Board,
    f. Individual units other than those of the requesting owner, or
    g. The names and physical mailing addresses of unit owners if the unit is a timeshare unit, as defined in section 38-33-110(7), C.R.S.

IV. Records maintained by the Association are not subject to inspection and copying and <u>*must be withheld*</u>, 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, email addresses, driver's license numbers and social security numbers.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of the Grand Elk Owners Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on February 19, 2014 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION, A Colorado non-profit corporation

By Mark Lund

Mark Lund, Secretary

Action Without Meeting: Per the Bylaws of the Association, Section 6.03: The Directors will have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval fo all of the directors. Any action so approved will have the same effect as though taken at a meeting. The directors are expressly authorized to hold meetings by telephone conference call subject to the quorum requirements stated herein.

Policy clarification: any Action Without Meeting shall be duly recorded and ratified at the next properly called Board meeting of the Board members.

GRAND ELK OWNERS ASSOCIATION
BOARD POLICY AND PROCEDURE
REGARDING CONFLICTS OF INTEREST

Adopted April 1, 2009
Amended April 2, 2010

The following resolution has been adopted by the Board of Directors (“Board”) of GRAND ELK OWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, at a meeting of the Board to establish a policy and procedure for handling conflicts of interest by Directors.

Any conflict of interest involving a member of the Board of Directors of the Association will be handled in accordance with the provisions of C.R.S. 38-33.3-310.5 (CCIOA) and C.R.S. 7-128-501 (Colorado Revised Nonprofit Corporation Act).

Generally, a conflict of interest may arise with respect to any proposed contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.

If any conflict of interest exists on the part of any Director or party related to a Director, such conflict shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the interested Director may participate in the discussion and may also be counted in determining the existence of a quorum. However, the interested Director shall not vote on the matter, unless his or her participation in the vote is approved by a majority of the disinterested Directors. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against.

No transaction shall be voidable by an Owner or on behalf of the Association because it involved a conflict of interest on the part of a Director or party related to a Director if: (i) The facts about the conflict of interest are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction; (ii) The facts about the conflict of interest are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or (iii) The conflicting interest transaction is fair to the Association.

No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

<u>General Duty:</u> The Board of Directors shall use its best efforts at tall times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to, the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association’s Articles, Bylaws, and Rules and Regulations.

<u>Definition:</u> A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board would financially benefit: (I) a Director; (ii) a parent, grandparent, spouse, child, or sibling of the

Director, (iii) a parent or spouse of any of the persons in subsection (ii); (iv) an entity in which a Director is a director or officer or has a financial interest.

<u>Disclosure of Conflict:</u> Any conflict of interest on the part of any Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the Director may participate in the discussion but shall not vote on the matter.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of GRAND ELK OWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 2, 2010 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION,
a Colorado non-profit corporation
By ________________, Secretary

GRAND ELK OWNERS ASSOCIATION
POLICY AND PROCEDURE
INVESTMENT OF RESERVE FUNDS

Adopted April 1, 2009
Amended March 13, 2017

The following policy and procedure has been adopted by the Board of Directors ("Board") of GRAND ELK OWNERS ASSOCIATION, ("Association") pursuant to Colorado statutes, for investment of the Association's reserve funds.

Investment of Reserves: The Board of Directors of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies, listed in order of importance:

Safety of Principal: Promote and ensure the preservation of the Reserve Fund's principal.

Liquidity and Accessibility: Structure maturities to ensure availability of assets for projected or unexpected expenditures.

Minimal Costs: Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.

Diversify: Mitigate the effects of interest rate volatility upon reserve assets.

Return: Funds should be invested to seek the highest level of return.

Principles:

- Balances at any institution cannot exceed FDIC insurance limits ($250,000),
- Invest in $100,000 increments,
- Ladder CD maturities in 6 month increments,
- Maximum maturity of 2 years,
- Leave "liquid" cash balances at approximately $200,000 to $250,000 to take care of day-to-day cash needs and a reasonable cushion for the unexpected,
- After satisfying the above, seek the highest yield.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of GRAND ELK OWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 1, 2009 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION,
a Colorado non-profit corporation
By ________________, Secretary

GRAND ELK OWNERS ASSOCIATION
POLICY AND PROCEDURE
ENFORCEMENT OF THE DECLARATION, BYLAWS, RULES, AND REGULATIONS AND SCHEDULE OF FINES

Adopted April 1, 2009
Amended

The following policy and procedure has been adopted by the Board Directors ("Board") of GRAND ELK OWNERS ASSOCIATION, ("Association") pursuant to Colorado statutes, for (i) the enforcement of the Association's Declaration, Bylaws, Rules and Regulations (including any design guidelines or architectural controls), collectively referred to as the "Governing Documents;" and (ii) a Schedule of Fines.

Per <u>Section 9.01</u> of the Grand Elk Master Declaration of Protective Covenants, a violation of any portion of the Governing Documents shall give to Declarant, the Board and their agents or assigns, the right, but not the obligation, to enter upon the property as to which such violation exists, and to summarily abate and remove, at the expense of the Owner, any structure, thing or condition that may be or exist thereon contract to the intent and meaning of the provisions hereof of the Governing Documents. The Board, Declarant or their agents or assigns shall not thereby be deemed guilty or liable in any manner for such entry, abatement or removal.

<u>Reporting Violations:</u> Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.

<u>Complaints:</u> Complaints by Owners or residents shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints, or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or manager.

<u>Investigation:</u> Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by the Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

<u>Initial Warning Letter:</u> If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator shall have 30 days from the date of the letter to come into compliance.

<u>Continued Violation After Initial Warning Letter:</u> If the alleged Violator does not come into compliance within 30 days of the first warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for hearing. A second letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be

imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 30 days of the date of the second violation letter.

<u>Notice of Hearing:</u> If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least five days prior to the hearing date.

<u>Hearing:</u> At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator is required to be in attendance at the hearing. The Board shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board shall, within a reasonable time, not to exceed ten (10) days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

<u>Failure to Timely Request Hearing:</u> If the alleged Violator fails to request a hearing within 30 days of the second letter, or fails to appear at the hearing, the Board may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.

<u>Notification of Decision:</u> The decision of the Board, committee or other person, shall be in writing and provided to the Violator and Complainant within 30 days of the hearing, or if no hearing is requested, within 30 days of the final decision.

<u>Appeals:</u> The Violator may file a written appeal to the Board of Directors of any adverse decision of the hearing committee or individual within 14 days of the decision.

<u>Fine Schedule:</u> The following fine schedule has been adopted for all recurring covenant violations:

First violation	$100.00
Second violation (of same covenant or rule)	$500.00
Third and subsequent violations (of same covenant or rule)	$1,000.00

<u>Continuous Violations:</u> Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. Each day of non-compliance with such violations constitutes a separate violation. For example: the failure to remove an unapproved exterior improvement or the continuous parking in a fire lane.

Continuous Fines: If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a daily fine of **$10.00 each day** the violation of the covenant is not corrected, following a notice and opportunity for a hearing as set forth above.

Design Review Board: The Design Review Board may impose similar fines for violations of the Design Review Guidelines and Regulations; and in case of a violation consisting of the failure to complete construction of the exterior of an improvement within the time provided in the Declaration and Guidelines, or any extension allowed by the Design Review Board, the fine imposed will be not less than $100 per day until the construction has been completed or the violation has otherwise been completely remedied.

Prior to levying a fine, the Design Review Board will give the Owner fifteen days' notice, with the opportunity to cure the violation within that period. For alleged violations involving a failure to complete construction within the prescribed period, a hearing will be held by the Design Review Board before taking enforcement action. For other alleged violations of the Guidelines, the Owner will be given the opportunity to request such a hearing.

Waiver of Fines: The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declarations, Bylaws, or Rules.

Other Enforcement Means: This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declarations, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

Notwithstanding any provision of this fine schedule or Policies and Procedures, the Association may use any legal means available at any time to enforce the terms of the Governing Documents.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of GRAND ELK OWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 1, 2009 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION,
a Colorado non-profit corporation
By ________________, Secretary

GRAND ELK OWNERS ASSOCIATION
COLLECTION POLICY AND PROCEDURE

Adopted April 1, 2009
Amended July 31, 2019
Amended Aug. 26, 2021

The following policy and procedure has been adopted by the Board of Directors ("Board") of GRAND ELK OWNERS ASSOCIATION. ("Association") pursuant to Colorado statutes, for collection of unpaid assessments.

The collection of assessments, fines and other charges by the Association will be conducted in accordance with the provision of the Governing Documents and the Colorado Common Interest Ownership Act ("CCIOA"). Regular assessments for Common Expenses are established pursuant to an annual budget and are levied on each Homesite.

Each Owner is liable for the assessments made on the Owner's Homesite, and the Association has a statutory lien on a Homesite for any assessment made with respect to that Homesite. Fees, charges, late charges, attorney fees, fines, penalties and interest charged against an Owner or Homesite pursuant to the Governing Documents or CCIOA are enforceable as assessments and are recoverable by the Association whether or not the lien therefore is foreclosed or other enforcement action is pursued. The Association may foreclose its lien in like manner as a mortgage on real estate, it may recover a personal judgment against the Owner for the sums owed, or it may pursue both such remedies.

<u>Assessments</u>: The Association's Annual Common Expense Assessment shall be due and payable, in full, on January 1 of each year, however such may be paid in twelve equal monthly installments due on the last day of each month, commencing January 1. Assessments or other charges not paid to the Association by the 1st of the following month shall be considered past due and delinquent. After an installment, or other charge due to the Association, becomes 15 days past due, the Board may cause, but shall not be required to send, a "late notice" to the owner who is delinquent in payment. If an owner chooses to pay the assessment in full by January 31 of the year for which the assessment is levied, they will receive a onetime $50.00 discount for such early prepayment.

(a) Owners are encouraged to authorize automatic payment of monthly installments to the Association by direct charge to a valid credit card or by direct debit to a valid bank account maintained by the Owner. Installment payments must be received not later than the end of each month or the assessment will be considered delinquent.

If any assessment or installment is not paid in the manner and within the time specified above, the Owner's account will be deemed delinquent, a late charge will be imposed as provided below and interest at the rate of twenty-one percent (21 %) per annum shall begin to accrue on the full unpaid amount of the annual Common Expense assessment. Partial payments on such delinquent accounts may be accepted by the Association, but any such partial payment will not stop the accrual of interest on the unpaid balance. Collection action may be initiated with respect to such delinquent accounts, including without limitation, filing of a notice of lien.

Special Assessments, Special Expense Assessments and fines may also be levied by the Association in accordance with the Governing Documents.

Interest and Late Fees: Interest at the rate of twenty-one percent (21%) per annum will be charged on any assessment, fine or other charge that is not paid when due. In addition, a late charge of $25.00 per lot will be imposed for any assessment, installment, or other payment that is not received by the Association by the due date, and late charges will be imposed for each monthly or other billing cycle during which the delinquency continues.

Return Check Charges: In addition to any and all charges imposed under the Declaration, Bylaws, the Rules and Regulations or the Articles of Incorporation (collectively, the "Governing Documents") or pursuant to Colorado statutes, or this Policy, a twenty dollar ($20) fee or other amount deemed appropriate by the Board 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. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the owner(s) of the Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Bylaws, the Rules and Regulations or the Articles of Incorporation (collectively, the "Governing Documents") or pursuant to Colorado statutes or this Policy when not honored by the bank or other financial institution.

Procedure: The Board of Directors and any managing agent for the Association will employ the following general procedures with respect to the collection of delinquent accounts:

If an assessment or other charge becomes delinquent, the Association will begin billing interest and late charges with the next billing statement, usually 15 days after the assessment or charge was due.

Delinquency: If an Owner's account becomes delinquent, the Owner can enter into a payment plan with the Association under the following conditions:

- The negotiated payment plan can allow the Owner to pay off the deficiency in equal installments over a period of at least six months;
- The payment plan must include remaining current with regular or special assessments;
- For purposes of this section, "assessments" includes regular or special assessments and any associated fees, charges, late charges, attorney fees, fines and interest charged pursuant to Section 38-33.3-315(2) of the Colorado Revised Statutes.
- If the Owner fails to comply with the terms of his or her payment plan, the Association can immediately continue with its collection efforts, as further described in this policy;

60 days Delinquency: Assessments or other charges not paid to the Association that are delinquent by 60 days, or more, shall receive a formal suspension notice the Association, per the bylaws of the Association, Section 4.09.

90 Days Delinquency: If an Owner's account remains delinquent for 90 days or more, the Association will cause a notice of lien to be recorded in the County records if such notice has not been recorded previously. Costs of the lien filing and all other collection costs, including attorney fees, will be charged to the Owner in accordance with the Governing Documents and CCIOA. The Owner will be sent a copy of the notice of lien and will be notified that the account will be referred to a collection agency or attorney if payment has not been received or a payment plan approved by the Association on a timely basis.

120 Days Delinquency: If an Owner's account remains delinquent for 120 days or more, notice will be sent to the Owner indicating the following:

- the total amount due on the account, with an accounting of how the total arrearage is determined,
- whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into a payment plan,
- the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt, and
- that action that is required to cure the delinquency and failure to do so within 30 days may result in the account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's property and other remedies available under Colorado law.

Foreclosure: The Association's lien may be foreclosed in like manner as a mortgage on real estate; except that the association or a holder or assignee of the association's lien, whether the holder or assignee of the association's lien is an entity or a natural person, may only foreclose on the lien if:

- The balance of the assessments and charges secured by the Association's lien equals or exceeds six months of common expense assessments based on a periodic budget adopted by the Association and,
- The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. The Board may not delegate its duty to act under this subparagraph to any attorney, insurer, manager, or other person, and any legal action filed without evidence of the recorded vote authorizing the action must be dismissed. No attorney fees, court costs, or other charges incurred by the Association or a holder or assignee of the Association's lien in connection with an action that is dismissed for this reason may be assessed against the unit Owner.

Application for Payments made to the Association: Regardless of inscriptions or notations on the front of the check or in any document accompanying the check or any restrictive endorsement, all payments received on the account of any owner shall be applied in the following order: 1) any and all attorney fees, legal fees, and all other costs incurred for collection of assessments or for owner's failure to comply with provisions of the Association's Governing Documents, including lien fees; 2) fines, late charges and interest;
3) returned check charges, and other costs owing or incurred with respect to such owner pursuant to the Declaration, Colorado statutes, Rules and regulations, or this Policy; 4) Past-due Special Assessments (if any);
5) Currently due Special Assessments (if any); 6) Past-due installments of Annual Assessments;
7) Current installments of annual Assessments. Checks containing a restrictive endorsement on the back may be returned to the owner and the amount tendered shall be considered unpaid.

Fees on Delinquent Accounts: As an additional expense permitted (collectible as a Common Expense Assessment) under the Declaration and Colorado statutes, the Association shall be entitled to recover its reasonable attorney fees and collection costs (including without limitation collection agency costs) incurred in the collection of assessments or other charges due the Association from a delinquent owner. The reasonable attorney fees and other costs incurred by the Association shall be due and payable immediately when incurred, upon demand.

Suspension: The Bylaws of the Grand Elk Owners Association, Section 4.09 also provide for the suspension of an Owner's voting and other membership rights for violations of the Governing Documents, including failure to pay assessments, fines or other charges owed to the Association.
Any failure by the Board or managing agent to follow the above procedures shall not excuse or postpone an Owner's obligation to pay any and all assessments, fines, interest, late charges and other amounts owed to the Association as and when the same become due.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of the Grand Elk Owners Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the

Association, at a duly called and held meeting of the Board on July 31, 2019 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION, A Colorado non-profit corporation
By *Tom Fry*, Secretary

GRAND ELK OWNERS ASSOCIATION
POLICY AND PROCEDURE
ALTERNATIVE DISPUTE RESOLUTION (ADR)

Adopted April 1, 2009

The following policy and procedure has been adopted by the GRAND ELK OWNERS ASSOCIATION ("Association") pursuant to Colorado statutes, for addressing disputes arising between the Association and Owners.

Any dispute arising between an Owner and the Association should be submitted in writing by the Owner to the Board of Directors through the Association's managing agent for consideration at the next scheduled Board meeting at which the Owner shall attend.

If resolution of the dispute is not achieved through a dialogue between the Owner and the Board, the dispute shall be submitted to a mediation service in the area, with the cost of such service to be split equally between the Association and the Owner(s) involved.

If the Owner refuses to participate in mediation or if mediation is unsuccessful, neither the Association nor the Owner has waived any right to pursue any available legal actions.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of GRAND ELK OWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on April 1, 2009 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION,
a Colorado non-profit corporation
By ________________, Secretary

GRAND ELK OWNERS ASSOCIATION
POLICY AND PROCEDURE
RESERVE STUDY AND FUNDING POLICY

Effective February 10, 2011

The following policy and procedure has been adopted by the Board of Directors ("Board") of GRAND ELK OWNERS ASSOCIATION ("Association") pursuant to Colorado statute specified in House Bill 09-1359 for a reserve study and funding policy.

1. Reserve study policy:
- The Association is not required under the Community's governing documents to have a reserve study.
- The association has determined to establish policies on reserve studies as follows:
  - The Board of Directors shall determine whether to have a reserve study prepared and the timing of any such study;
  - The Association may have any reserve study updated or revised periodically;
  - Reserve studies may be performed by an outside consultant or may be prepared internally;
  - Reserve studies are preferred to be based on a physical examination of the Community by the person preparing the reserve study.

2. Reserve funding policy:
- The Association has determined to establish policies on reserve funding as follows:
  - Funding for replacement is preferred to be based on a financial analysis performed by the Association's managing agent in consultation with the Board of Directors;
  - Funding for replacement is planned and projected to be from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) monthly assessments of owners, (3) special assessments of owners, (4) a loan as may be obtained by the Association, and/or (5) any combination of the above.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of GRAND ELK OWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on January 31, 2011 and in witness thereof, the undersigned has subscribed his/her name.

GRAND ELK OWNERS ASSOCIATION,
a Colorado non-profit corporation
By ________________, Secretary