

CROSS CREEK CONDOMINIUM ASSOCIATION POLICIES AND PROCEDURES

ADOPTED 09-15-2007

ADOPTION/AMENDMENT OF PROCEDURES

Any existing procedure may be amended or new procedure may be adopted by a vote of the Board of Directors at any scheduled Board meeting after being drafted and submitted to the membership for review and comment at least thirty [30] days prior to adoption.

BOARD MEMBER CONFLICT OF INTEREST

Board members must declare any conflict of interest [defined as financial gain to Board member or parent, grandparent, spouse, child, sibling of Board member or spouse of any of those persons] in an open meeting. Though said Board member is prohibited from voting on any issue when such conflict exists, he may participate in discussions prior to the vote.

EXAMINATION OF ASSOCIATION RECORDS

Any member of the Association may contact the management company and have access during normal business hours to relevant, requested records within a reasonable length of time. Copies will be provided at a charge per statute.

COLLECTION POLICY

All owners receive payment coupon books and have an automatic bank draft payment option for payment of dues assessments, which are due the 1st day of the month. If payment is not received by the 15th of the month, the owner is notified in writing with a past due statement. Any owner delinquent in the payment of monthly dues or special assessments shall be assessed the following fees and penalties:

- After 30 days: Payment of a \$20.00 late fee for each 30-day period.
- After 60 days: Disconnection of cable TV service to the Unit.
- After 90 days: Filing of a lien against the Unit.
- After 120 days: Pursue legal action, including foreclosure, per the Board's directive.

A payment of less than the full amount owed to the Association shall be applied to pay the following [if applicable] in the order listed, from oldest to most recent in each category:

1. Attorney fees and costs incurred by the Association and for which the Owner is responsible pursuant to all governing documents and Colorado law;
2. Fines, late charges or other monetary charges or penalties;
3. Past due Special Assessments;
4. Past due installments of Regular Assessments;
5. Current Special Assessments; and
6. Current monthly payment for Regular Assessments.

CONDUCT OF MEETINGS

- All Regular and Special Meetings, Executive Committee and Committee Meetings of the Association are open to the membership;
- Notice of any unit owner meetings will be physically posted in a conspicuous place, if feasible, in addition to any electronic postings or mail notices that are given.
- The Association will use electronic means of giving notice of unit owner meetings. If electronic means are available, the Association will email meeting notice to unit owners who request it and provide the Association with their email addresses.
- The Board will allow a unit owner to comment prior to its taking formal action on an item under consideration; however, the Board may place reasonable time restrictions on the person speaking.
- Votes for contested positions for Board members at Annual Meetings will be taken by secret ballot. At the discretion of the Board, or if requested by 20% of unit owners present or

represented by proxy, if a quorum has been achieved, secret ballots will be used for a vote on any other matter on which all unit owners are entitled to vote. Ballots will be counted by a committee of unit owners not candidates or Board members.

- Proxies are not valid if obtained through fraud. The Association may reject votes, ballots, or proxies, if the person tabulating votes has reasonable basis to doubt their validity. The person who rejects a vote, ballot, or proxy is not subject to damages. All actions of the Association regarding such rejections are valid unless a court determines otherwise.

ENFORCEMENT OF COVENANTS

The Association has a written policy for enforcement of architectural guidelines, rules, covenants and policies. Violations will be issued according to the same. Owners have a right to appeal by registering a written complaint. Owners will be afforded a hearing before the Board of Directors. After discussion of the appeal, the Board will vote to uphold or rescind the original decision.

INVESTMENT OF RESERVE FUNDS

The Association will:

- Follow cash or modified accrual accounting practices;
- Hold Reserve funds separately;
- Invest Reserve funds in conservative accounts; and,
- Deposit the majority of funds in fully insured accounts.

CONFLICT RESOLUTION

- Whenever a dispute arises between the Association and any owner, the Association and the owner are encouraged to try to resolve the dispute by methods other than court action (litigation).
- When the Association is collecting past due assessments or dues, the Association or its Managing Agent sends warning or "delinquency letters" to the owner to inform the owner of the amount owed and to encourage the owner to pay without litigation. If the Association is enforcing its governing documents, the Association will give notice to the owner of the alleged violation in an effort to avoid litigation by having the owner comply with the governing documents.
- If the Association and the owner agree, their dispute may be submitted to mediation before any lawsuit is filed. The written, signed agreement submitting their dispute to mediation shall state who the mediator will be, that the parties will pay their share of the mediator's fees, and will provide a time limit for conducting the mediation. If no mediation is held within that time period, and no agreement extending the time is signed, either side is free to file suit.
- If the dispute is resolved through mediation, the parties shall sign a written settlement agreement. The settlement agreement will usually state that the agreement will be enforceable by the courts in the event either side violates the terms of the agreement.
- Mediation shall not be used in situations involving an imminent threat to the peace, health, or safety of the community.
- Mediation is highly recommended but not mandatory before proceeding with litigation. If either the Association or the owner chooses not to attempt a resolution of their dispute through mediation, the party may file a lawsuit to resolve the issue.