

**COTTON RANCH HOMEOWNERS' ASSOCIATION
ADOPTION AND AMENDMENT PROCEDURE**

Effective Date: 10/7/2025

1. Definitions:

- A. A policy is a course or principle of action adopted to guide the Board.
- B. A procedure is an established or official way of conducting a course of action.
- C. A rule is defined as a regulation or requirement governing conduct or behavior or the use of property.

2. The Board has the authority to adopt policies, procedures, and rules to the extent they do not conflict with the Declaration, Articles of Incorporation and Bylaws of the Association.

3. The Board has authority to adopt and amend policies and procedures governing Association operation. These policies and procedures will be adopted at an open Board meeting and documented in the minutes or in a formal resolution. Current policies may be posted on the Association's website.

4. The Board may adopt rules and regulations. Prior to adopting final rules, the Board will send notice of a proposed rule to all Owners. Owners will have 7 days to comment on such proposed rule. Rules and regulations will be adopted at an open Board meeting and documented in the minutes or in a formal resolution. Newly adopted rules will be posted on the Association's website with accompanying notice to all Owners in the Association's newsletter, or via first-class mail, or via email if the Owner has provided an email address.

This Adoption and Amendment Procedure was adopted by the Board of Directors this _____ day of 10/7/2025, 2025.

COTTON RANCH HOMEOWNERS' ASSOCIATION,
a Colorado nonprofit corporation

Signed by:

By: ALLAN BARROWS
Its: President

**COTTON RANCH HOMEOWNERS' ASSOCIATION
COLLECTION POLICY AND PROCEDURE**

Effective Date: 10/7/2025

This policy is adopted to comply with the terms of the Colorado Common Interest Ownership Act ("CCIOA") which contains provisions that may conflict with the terms of the Association's governing documents. CCIOA and this policy will control over any conflicting provisions in the governing documents.

1. Due Dates, Late Charges, Interest, and Suspension of Rights.

A. Due Dates. Annual payments of the annual assessment are due and payable on a date to be determined by the Board and communicated to all Owners. Other assessments, fees, or charges are due and payable as set forth in the Association's notice. Payments will be deemed received on the date the payment is received in the Association's office or the Association's payment processor's office; provided, however, if the Owner's name or the Lot address for which payment is made is not identified on or with the payment, payment will not be deemed received until such time as the Owner and Lot to which payment should be credited are determined. Any payment not paid in full when due is past due and delinquent.

B. Late Fee or Charge. A late charge in the amount of \$25 will be imposed for any assessment, fine, or other charge not paid within 30 days of the due date without further notice to the Owner. The late charge is a personal obligation of the Owner and a lien on the Lot.

C. Interest. Interest at the rate of 8% per annum will accrue on any delinquent assessment, fine, or other charge from the due date without further notice to the Owner. Interest may be added to the Owner's account 30 days following the due date. Interest is a personal obligation of the Owner and a lien on the Lot.

D. Lien. Under Colorado law and the terms of the Declaration, there is a lien for any unpaid assessment. The Association reserves the right to record a notice of lien in the county records at any time after an assessment becomes delinquent. The Association delegates authority to the Association's attorney to sign and acknowledge the notice of assessment lien. This delegation may be withdrawn at any time by sending written notice to the Association's attorney of the withdrawal.

E. Administrative Expenses. Collection costs imposed by the Association or its managing agent for delinquent accounts will be the obligation of the Owner and may be posted to the Owner's account. Examples include, but are not limited to, the actual cost of certified mailings and costs to translate a notice to a language other than English.

F. Suspension of Rights. An Owner's voting rights are automatically suspended without notice if an assessment or other charge is delinquent, as set forth in this policy.

2. Attorney's Fees and Collection Costs. The Association is entitled to recover its reasonable attorney's fees and collection costs incurred in collecting assessments or other charges due the Association from a delinquent Owner pursuant to the terms of the Declaration and Colorado law.

3. Application of Payments. If an Owner who has both unpaid assessments and unpaid fines, fees, or other charges makes a payment to the Association, the Association will apply the payment first to assessments and any remaining amount of the payment to the fines, fees, or other charges owed.

4. Monthly Statements Required. On a monthly basis, the Association will send to each Owner who has any outstanding balance an itemized list of all assessments, fines, fees, and charges that the Owner owes to the Association (*i.e.*, an account ledger). The monthly statement will be sent by first-class mail to the Owner's registered address, and if the Association has a relevant email address, by email. If the account has been referred to a collection agency or to an attorney, the statement will also specify that the balance may not include all attorney's fees and costs that have been incurred as of the statement date

but not yet invoiced to the Association and posted to the account. No fees or other charges will be assessed for providing statements required under this Section.

5. Notice of Delinquency. The Association may send courtesy notices to Owners. However, before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a notice of delinquency specifying:

- A. The total amount due, with an accounting of how the total was determined;
- B. Whether the opportunity to enter into a payment plan exists as provided in this collection policy, and instructions for contacting the Association to enter into a payment plan, if available;
- C. 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, which will be provided to the Owner no later than 7 business days after receipt of the Owner's request;
- D. A statement that action is required to cure the delinquency, and that failure to do so within 30 days may result in the Owner's delinquent 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; the sale of the Owner's Lot at auction to pay delinquent assessments, which could result in the Owner losing some or all of the Owner's equity in the Lot; or other remedies available under Colorado law;
- E. Notification of the availability of and instructions how to access free online information through the Colorado HOA Information and Resource Center relating to an Association's collection of assessments, including the Association's ability to foreclose the Association's lien for unpaid assessments and force the sale of the Owner's home, and the availability of online information from the United States Department of Housing and Urban Development concerning credit counseling before foreclosure that may be accessed through the Colorado Department of Local Affairs' website;
- F. Whether the delinquency concerns unpaid assessments; unpaid fines, fees, or charges; or both unpaid assessments and unpaid fines, fees, or charges; and if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Owner that the unpaid assessments may lead to foreclosure;
- G. The steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's cure process; and
- H. A description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to small claims court, and 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.

6. Delivery of Notice to Owner and Designated Contact.

A. An Owner may send written notice to the Association identifying another person to serve as a contact for the Owner for notices and correspondence ("Designated Contact"). The Association will send the same written communications to the Designated Contact that it sends to the Owner. If the Owner wishes to change or cease the Designated Contact, the Owner must send the Association written notice.

B. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association will contact the Owner and Designated Contact by:

- i. Sending a copy of the delinquency notice described in Paragraph 5 by certified mail, return receipt requested, and
- ii. Contacting the Owner and Designated Contact by two of the following means:

a. Telephone call to a telephone number that the Association has on file that the Owner and Designated Contact provided to the Association. If the Association is unable to contact the Owner and Designated Contact, it will, if possible, leave a voice message;

b. Text message to a cellular number that the Association has on file that the Owner and Designated Contact provided to the Association;

c. Email to an email address that the Association has on file that the Owner and Designated Contact provided to the Association; or

d. By regular mail, if the Owner or Designated Contact has not provided a telephone number, cellular number, or email address as an additional means by which to receive notices.

C. Notices from the Association will be sent in English; provided, however, the Owner may send written notice to the Association with an alternate language preference. The Association will attempt to provide an accurate translation of the original English version, but due to nuances in translating to a foreign language, slight differences may exist.

7. Record of Notification. The Association will maintain a record of the contact(s) it has made with an Owner or Designated Contact regarding a delinquency, including the type of communication used to contact the Owner or Designated Contact and the date and time the contact was made. As this record relates to a particular Lot, it will not be deemed to be a record available to all Owners under Colorado law.

8. Payment Plans.

A. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, it will make a good faith effort to coordinate with the Owner to set up a payment plan. An Owner may enter into a payment plan to pay off a deficiency in equal installments over a minimum period of 18 months or such other longer period as authorized by the Board.

B. If the Owner fails to comply with the terms of the payment plan (fails to remit payment of three or more agreed-upon installments within 15 days after the monthly installments are due), the Association may pursue legal action subject to the notice requirements above.

C. The Association is not obligated to negotiate a payment plan with:

- i. an Owner who has previously entered into a payment plan pursuant to this policy, or
- ii. an Owner who does not occupy the Lot and acquired the Lot because of a default of a security interest encumbering the Lot or a foreclosure of the Association's lien.

D. Before the Association initiates a foreclosure proceeding based on the Owner's unpaid assessments, it will provide the Owner with a written offer to enter into a repayment plan of at least 18 months. Under the repayment plan, the Owner may choose the amount to be paid each month, so long as each payment must be in an amount of at least \$25. The Owner may elect to pay the remaining balance under the repayment plan at any time during the duration of the repayment plan. The Association will not foreclose as long as the Owner is in compliance with the terms of the payment plan.

E. All payment plans involving accounts referred to an attorney for collection will be set up and monitored through the attorney in consultation with the President of the Board or other person designated by the Board.

9. Board Action to Refer Delinquent Account. Before a delinquent account is referred to a collection agency or attorney, a majority of the Board must vote to refer the matter by recorded vote conducted in executive session.

10. Referral of Delinquent Accounts to Attorneys. After an account has been referred to the

Association's attorney, the account remains with the attorney until it is settled, has a zero balance, or is otherwise resolved. Once accounts are turned over to the Association's attorney, Owners will make payments to the Association at the attorney's address. The Association's attorney is authorized to take whatever action is necessary, in consultation with the Board President or other person designated by the Board, believed to be in the Association's best interest.

After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner will be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board may discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact. Action by the Association's attorney may include the following:

A. Notice of Lien. If not already recorded, a notice of lien may be recorded against the delinquent Owner's property to provide record notice of the Association's claim against the property.

B. Filing Lawsuit. The Association may file a lawsuit against the delinquent Owner seeking a money judgment. If a personal judgment is entered against the delinquent Owner, the Association may pursue remedies such as garnishing the Owner's wages or bank account to collect judgment amounts.

C. Judicial Foreclosure. The Association may foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or in other circumstances that may favor such action. If the Association forecloses on its lien, the Owner will lose the Owner's Lot, having the same effect as if a first mortgagee institutes a foreclosure action against the property (though the procedure is different).

The Association will not commence a judicial foreclosure action unless it has complied with the requirements of C.R.S. §§ 38-33.3-316 and 38-33.3-316.3 and the balance of the assessments and charges secured by its lien (which may include late fees, fines, and other charges as well as other assessments) equals or exceeds 6 months of common expense assessments based on the Association's periodic budget. Additionally, the Association will not pursue foreclosure against an Owner solely based on fines owed to the Association and/or collection costs or attorney's fees the Association incurred that are only associated with such fines. Prior to filing a foreclosure action, the Board will resolve by a recorded vote in executive session to authorize the filing of the foreclosure action against the particular Lot against which the foreclosure action will be filed.

D. Receivership. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property and collects the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past-due assessments, and prevent waste and deterioration of the property.

E. Bankruptcy Filings. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim.

11. Certificate of Status of Assessment/Estoppel Letter. The Association will furnish to an Owner, or such Owner's designee, upon written request delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Lot. The statement will be delivered within 14 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested. If the Owner's account has been turned over to the Association's attorney, the statement will include any attorney's fees incurred in providing the statement.

12. Return Check Charges.

A. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:

i. An amount equal to the face amount of the check, draft, or money order and a return check charge of: (a) \$20; or (b) 20% of the face amount of the check, draft, or money order, but not less than \$20, if it has been assigned to a collection agency for collection; or (c) an amount equal to the actual charges incurred by the Association levied by the party returning the check, whichever is greater; or

ii. If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft, or money order will be liable to the Association for three times the face amount of the check, but not less than \$100.

B. If two or more of an Owner's checks are returned within any fiscal year, the Association may require that future payments, for a period of one year, be made by certified check or money order.

13. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any bankruptcy notice or a foreclosure notice by any holder of an encumbrance against any Lot within the Association, the Association may advise the Association's attorney of the same and turn the account over to the Association's attorney.

14. Waivers. The Association may modify these procedures as the Association determines appropriate under the particular circumstances. Any accommodation may be documented in the Association's files. Failure to require strict compliance with this policy is not deemed a waiver of the Association's right to require strict compliance and will not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney's fees, and/or costs as described and imposed by this policy.

This Collection Policy and Procedure was adopted by the Board of Directors this ____ day of 10/7/2025, 202__.

COTTON RANCH HOMEOWNERS' ASSOCIATION,
a Colorado nonprofit corporation

Signed by:

ALLAN BARROWS

By

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Its: President

**COTTON RANCH HOMEOWNERS' ASSOCIATION
CONDUCT OF MEETINGS POLICY AND PROCEDURE**

Effective Date: 10/7/2025

1. Board Meetings.

A. Members or their representatives may attend all Board meetings, except that Members may be excluded from an executive session. The Board may go into executive session for any purpose allowed by law. Prior to going into executive session, the chair of the meeting will announce the purpose for the executive session.

B. The Board may post notice of upcoming Board meetings on a website, bulletin board, or other feasible location within the community.

C. The meeting agenda will be made reasonably available for examination by Association Members or their designated representatives.

D. The rules for Member participation during the meetings are:

i. Each Member who wishes to address the Board will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. If more than one person desires to address an issue on which the Board is to vote and there are opposing views, the Board will provide for a reasonable number of Members to speak on each side of the issue. After other Members have had an opportunity to speak, then a Member who has already spoken will be given another opportunity, time permitting.

ii. Each Member who wishes to speak must be recognized by the chair. Once recognized, the Member will state their name and address.

iii. All comments must be delivered in a businesslike and professional manner. Personal attacks or inflammatory comments will not be permitted.

iv. To facilitate free and open discussion, Members are prohibited from audio or video recording meetings.

v. The Board is not obligated to take immediate action on any item presented by a Member.

E. There will be a Members' forum at the beginning of each regular Board meeting. The Members' forum will be for up to 5 minutes, although the Board may extend this time in its discretion. Following the conclusion of the Members' forum, the Board will proceed with the business portion of the meeting.

F. Members who attend may not participate in deliberation or discussion during the business portion of the Board meeting until expressly authorized by the Board.

G. Items will be discussed based on the meeting agenda, provided that items may be taken out of order if deemed advisable. Items not on the agenda may be discussed once all other items have been concluded, time permitting.

H. Any director may make a motion. All motions and the outcome of the vote will be recorded in the minutes. Motions must be seconded to be discussed and voted upon. If any director requests his vote in favor or against or his abstention be recorded in the minutes, the minutes will so reflect.

I. Board meetings are not required to be held in accordance with Robert's Rules of Order.

2. Annual Meetings/Special Member Meetings.

A. Notice of a membership meeting will be sent to each Member by mailing a copy of the notice, postage prepaid, or by hand-delivery, not less than 10 or more than 50 days prior to the meeting. Notice will also be posted in a conspicuous central location, if posting is feasible and practicable. If a Member requests notice by email only and provides an email address, notice will be provided by email.

B. Members will sign in prior to the meeting for themselves and for any proxies they hold. If an election or vote is to be held, the Member will be given the appropriate number of ballots. Voting rights of delinquent Members are suspended, and Members will not be given a ballot.

C. Secret ballots are required for the following: all director elections and any other matters if so requested by at least 20% of the Members present in person or by proxy. If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

D. Ballots will be counted by a neutral third party or by a committee of volunteers who are Members selected or appointed at an open meeting by the President or other person presiding during that portion of the meeting. The committee of volunteers will not be Board members and, in case of a contested election, will not be candidates. The results of a vote taken by secret ballot will be reported without identifying information.

E. The President, or other person directed by the Board, will call the meeting to order and conduct the meeting. The meeting will proceed in the order set forth in the agenda.

F. Each Member who wishes to speak will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the chair's discretion.

G. Members must maintain decorum and refrain from addressing the membership or Board until recognized by the chair. Upon being recognized, the Member must state his name and address.

H. Members may not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. Members may not engage in personal attacks on either Board members or other Association Members. All comments and questions are to be delivered in a businesslike manner, and comments will be confined to matters germane to the agenda item being discussed. No Member may use abusive, rude, threatening, vulgar or crude language. To facilitate free and open discussion, Members are prohibited from audio or video recording meetings.

I. Members must obey all orders made by the meeting chair, including an order to step down.

J. Any Member who refuses to follow the above rules will be asked to leave the meeting.

K. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or a recommendation for proceeding. The determination may be made following consultation with legal counsel.

L. Meetings are not required to be held in accordance with Robert's Rules of Order.

This Conduct of Meetings Policy and Procedure was adopted by the Board of Directors on this _____ day of 10/7/2025, 2025.

COTTON RANCH HOMEOWNERS' ASSOCIATION,
a Colorado non-profit corporation

By: ALLAN BARROWS
Its: President

**COTTON RANCH HOMEOWNERS' ASSOCIATION
CONFLICT OF INTEREST POLICY**

10/7/2025

Effective Date: _____

1. Disclosure. The director is to disclose any conflicting interest in a proposed transaction in an open meeting prior to the discussion and vote. The disclosure will be reflected in the meeting minutes or other written form.
2. Participation. The director will not take part in the discussion and will leave the room during the discussion and the vote on the matter. However, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the director does not vote.
3. Quorum. The interested director will count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.
4. Approval. The contract, Board decision, or other Board action must be approved by a majority of the disinterested directors who are voting. No contract, Board decision, or other Board action in which a director has a conflict of interest will be approved unless it is commercially reasonable to and/or in the Association's best interests.
5. Standard of Review. No conflicting interest transaction will be set aside solely because an interested director is present at, participates in, or votes at a Board meeting that authorizes, approves, or ratifies the conflicting interest transaction if:
 - A. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board, and the Board, in good faith, authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors may be less than a quorum; or
 - B. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote; or
 - C. the conflicting interest transaction is fair to the Association.
6. Loans. The Association will not make loans to its directors or officers. Any director or officer who assents to or participates in making a loan to a director or officer will be liable to the Association for the amount of the loan until the loan is repaid.
7. Association Lien Foreclosure. Colorado law prohibits a director or officer of the Association, and their immediate family members, from purchasing a Lot during any foreclosure action filed by the Association to enforce its lien.
8. Definitions:
 - A. "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and: (i) a director, or (ii) a party related to a director, or (iii) an entity in which an Association director is also a director or officer or has a financial interest.
 - B. "Immediate family member" means a person related by blood, marriage, civil union, or adoption.
 - C. "Party related to a director" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or party related to a director has

a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.

D. “Officer,” for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

9. Review. Directors will periodically review this policy.

This Conflict of Interest Policy was adopted by the Board of Directors on this ____ day of
10/7/2025, 2025.

COTTON RANCH HOMEOWNERS’ ASSOCIATION,
a Colorado nonprofit corporation

Signed by:

ALLAN BARROWS

By: _____
Its: President

**COTTON RANCH HOMEOWNERS' ASSOCIATION
COVENANT AND RULE ENFORCEMENT POLICY AND PROCEDURE**

Effective Date: 10/7/2025

This policy is adopted to comply with the terms of the Colorado Common Interest Ownership Act (“CCIOA”) which contains provisions that may conflict with the terms of the Association’s governing documents. CCIOA and this policy will control over any conflicting provisions in the governing documents.

1. Enforcement Procedure. The Association will not impose fines or commence legal action for violations of the governing documents until after the Association has followed the procedures set forth below.

2. Complaints. Any Owner may send the Association a written complaint by email or first-class mail, with as much information as is known of a covenant or rule violation. Complaints may also be initiated by the manager, any member of the Board, or of the Design Review Committee. All complaints must be in writing. The Association has no obligation to consider oral or anonymous complaints. The Board may determine whether a written complaint is justified before continuing with any enforcement action or the notice and hearing procedures.

3. Notice of Violation.

A. The Association will send a written notice of any asserted violation of any provisions of the governing documents to the Owner in accordance with this policy. The Board may also, at its option, provide a copy of the notice to any non-Owner violator. The notice will describe: (i) the nature of the violation; (ii) the action or actions required to cure the violation; (iii) any fines that may be imposed; (iv) the right to request a hearing to contest the violation or possible fine; and (v) if a hearing is requested, a date by which such request must be received and a timeline for the hearing process (“Notice of Violation”).

B. Notices from the Association will be sent in English; provided, however, that the Owner may send written notice to the Association with an alternate language preference. The Association will attempt to provide an accurate translation of the original English version, but due to nuances in translating to a foreign language, slight differences may exist.

C. An Owner may send written notice to the Association identifying another person to serve as a designated contact for the Owner for notices and correspondence. The Association will send the same written communications to the designated contact that it sends to the Owner. If the Owner wishes to change or cease the designated contact, the Owner must send the Association written notice.

D. For the purpose of this policy to comply with Colorado law, a notice is deemed received when sent by and according to the following timelines:

- i. Email or text – Upon successful transmission of electronic mail or text;
- ii. Certified Mail/First-Class Mail – 3 business days after deposit for delivery;
- iii. Posting – Upon physical posting at the Owner’s Lot; or
- iv. Actual Notice – Upon hand-delivery.

4. Violations That Threaten Public Safety or Health.

A. If the Association reasonably determines that a violation threatens the public safety or health, the Association will send the Owner a written Notice of Violation informing the Owner that the Owner has 72 hours to cure the violation, or the Association may impose a fine.

The written Notice of Violation must be sent by first-class mail, but the Association may send additional notice by any of the following means: certified mail; email; text message to a cellular number that the Association has on file because the Owner has provided the number to the Association; or hand-delivery.

B. After 72 hours from receipt of notice, the Association will inspect the Lot and determine whether the violation has been cured. If the Owner has not cured the violation, the Association may impose fines on the Lot Owner every other day in accordance with the fine schedule below and/or commence legal action to enforce the governing documents and cure the violation.

5. Violations That DO NOT Threaten Public Safety or Health.

A. If the Association reasonably determines that a violation occurred, other than a violation that threatens the public safety or health, the Association will send the Owner a Notice of Violation informing the Owner that the Owner has 30 days to cure the violation, or the Association, after conducting an inspection and determining that the violation has not been cured, may impose a fine. The Notice of Violation must be sent by certified mail, return receipt requested. The Association may send additional copies of the notice by first-class mail, email, text message to a cellular number that the Association has on file because the Owner has provided the number to the Association, and/or hand-delivery.

B. After 30 days, if the Association has not received notice from the Owner that the violation has been cured, the Association will inspect the Lot within 7 days of the initial 30-day cure period. After inspection, if the Association determines that the violation has not been cured, the Association may impose the fine stated in the Notice of Violation and will send a second Notice of Violation with a second 30-day cure period.

C. After the second 30-day cure period, if the Association has not received notice from the Owner that the violation has been cured, the Association will inspect the Lot within 7 days of the second 30-day cure period. After inspection, if the Association determines that the violation has not been cured, the Association may impose a second fine in accordance with the fine schedule below, send additional notices and opportunity to cure, and/or commence legal action. The Association may not commence legal action until a second 30-day cure period has elapsed.

D. If an Owner cures the violation within the required cure period, the Owner may notify the Association in writing, including visual evidence that the violation has been corrected. If the Owner provides visual evidence of the cure, the violation will be deemed cured on the date the Owner sends the notice. If the Owner does not provide visual evidence of the cure, the Association will inspect the Lot as soon as practicable to determine if the violation has been cured. If the visual evidence provided is insufficient for the Association to determine if a violation has been cured, at the Association's sole discretion, the Association can provide notice to the Owner that it intends to inspect the Lot to verify the violation has been cured.

6. Additional Required Notices. If an Owner cures a violation, the Association will notify the Owner: (i) of any outstanding fine balance owed to the Association, and (ii) that the Owner will not be further fined with regard to the violation.

7. Request for Hearing. If an Owner desires a hearing to contest any alleged violation and possible fine or to discuss any mitigating circumstances, the Owner must request the hearing, in writing, prior to the deadline stated in the Notice of Violation. The request for hearing should describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. If a timely request for a hearing is not made, the right to a hearing is deemed forever waived. If a hearing is not requested by the deadline, the hearing board will determine if there was a violation based upon the information available to it, and if so, assess a fine as set forth in the fine schedule upon expiration of any applicable cure period(s).

8. Hearing Board to Conduct Hearing. The hearing board, which may be the Board of Directors, will hear and decide cases set for hearing pursuant to the procedures set forth in this policy. The hearing board may appoint an officer or other Owner to preside at any hearing.

9. Conflicts. Any Owner who desires a hearing will be afforded a fair and impartial fact-finding process by “impartial decision makers” (persons with authority to make a decision on a claimed covenant, rule, or architectural violation and without a direct personal or financial interest in the outcome of the hearing). Any decision-maker who is incapable of objective and disinterested consideration will disclose this to the presiding officer prior to the hearing, if possible. If advance notice is not possible, the disclosure will be made at the hearing, and the decision-maker will be disqualified from all proceedings related to the hearing. If disqualification of any decision-maker results in an even number of individuals eligible to hear a case, the presiding officer may appoint an Association Member, in good standing, to serve as a voting member of the hearing board.

10. Hearings. The Board will inform the Owner of the scheduled time, place, and date of the requested hearing by first-class mail, and any of the following additional methods: certified mail; email; text message to a cellular number that the Association has on file because the Owner has provided the number to the Association; or hand-delivery. Hearings may be conducted during or subsequent to any applicable cure period(s). The presiding officer may grant continuances for good cause. At the beginning of each hearing, the presiding officer will explain the rules, procedures, and guidelines by which the hearing will be conducted. The complaining parties and the Owner will have the right, but not the obligation, to attend the hearing. Each party may present evidence, testimony, and witnesses. The decision will be based on the matters set forth in the notice of alleged violation, request for hearing, and evidence as may be presented at the hearing. Unless otherwise requested by the Owner, all hearings will be conducted during executive session. If a complaining party is unable to attend the hearing, the complainant may submit a letter to the hearing board explaining the basis of the complaint.

11. Decision. After all testimony and other evidence has been presented to the hearing board, it will render its written findings and decision, and impose a fine, if applicable, upon expiration of any applicable cure period(s). A decision, either a finding for or against the Owner, will be by a majority vote of the hearing board.

12. Fine Schedule.

A. Limitation on Fines. With the exception of violations that threaten public safety or health, CCIOA provides that the total amount of fines imposed for each violation of the governing documents may not exceed \$500. In accordance with limitations set forth in CCIOA, the Association has adopted the following schedule of fines. These fines supersede and replace any existing fines greater than \$500 adopted prior to the date of this policy.

B. General Fine Schedule.

Unless otherwise specified in the governing documents, the following fines may be imposed for each violation of the governing documents occurring within a one-year period:

First violation:	\$ 50
Second violation:	\$100
Third violation:	\$150
Fourth violation:	\$200

The Association may send one or more courtesy notices prior to a Notice of Violation. A Notice of Violation may be sent for any first violation. Additional or subsequent violations of the same provision occurring within one year from the date of the first Notice of Violation will be considered repeat or recurring violations, subject to additional fines as set forth above. After the one-year period, any subsequent occurrence of the same violation will be treated as a new first violation.

C. Continuing Violation Fine Schedule.

For any violation that does not threaten public safety or health and is continuing in nature, the Association may impose fines in accordance with the general fine schedule, or the Association may impose fines on a weekly or monthly basis in the amount of \$25 per week or \$100 per month up to a

maximum of \$500. The Association may impose a fine every other day in the amount of \$50 for violations that threaten public safety or health until the violation is cured.

For purposes of this policy, a violation is considered "continuing in nature" if the violation is uninterrupted by time or, by the nature of the violation, it occurs at such frequency to create a continuous pattern of occurrence. Examples of continuing violations include failure to paint your house, unsightly yard, unauthorized improvements, parking an unauthorized vehicle in the community on a nightly or other regular basis, etc.

The total amount of fines will not exceed \$500 for each violation of the same covenant, restriction, rule, or regulation. However, the Association reserves the right to impose fines greater than \$500 for violations that threaten public safety or health.

13. Additional Enforcement Rights.

A. Recorded Notice of Violation. The Board may issue and record with the Clerk and Recorder a Notice of Violation.

B. Suspension of Right to Vote. An Owner's right to vote may be suspended for up to 30 days after notice to the Owner and an opportunity for a hearing if the Owner is in violation of the governing documents.

14. Failure to Enforce. The Association's failure to enforce the governing documents is not a waiver of the right to enforce for any subsequent violations.

15. Administrative Expenses. Enforcement costs, imposed by the Association or its managing agent, related to covenant and rule enforcement will be the obligation of the Owner and may be posted to the Owner's account. Examples include, but are not limited to, certified mailings or costs to translate a notice to a language other than English.

This Covenant and Rule Enforcement Policy and Procedure was adopted by the Board of Directors on this ____ day of 10/7/2025, 202__.

COTTON RANCH HOMEOWNERS' ASSOCIATION,
a Colorado nonprofit corporation

Signed by:

By: ALLAN BARROWS
Its: President

**COTTON RANCH HOMEOWNERS' ASSOCIATION
INVESTMENT OF RESERVES POLICY**

10/7/2025

Effective Date: _____

1. With regard to investment of reserve funds, directors and officers are subject to the standard of care outlined in this policy. Officer, for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

A. Directors and officers will perform their duties regarding investment of reserves in good faith, in a manner the director or officer reasonably believes to be in the Association's best interests, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In performing the duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more Association officers or employees whom the director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, community association manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within the person's professional or expert competence; or (iii) an Association committee on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

B. A director or officer is not considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause reliance on others as provided above to be unwarranted. A director or officer is not liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with the action or omission, the director or officer performs his duties in compliance with this policy. A director or officer, regardless of title, is not deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

2. The Board establishes the amount, if any, to be transferred to reserve funds on an annual basis. The amount will be reflected in the budget to be ratified by the Owners.

3. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments recommended by the Association's financial advisor (if any) pursuant to the Association's investment goals. No funds will be deposited or invested except in authorized investment funds. All investments must be insured by FDIC, SIPC or comparable insurance.

4. The reserve funds will be invested to achieve the following goals, in descending order of importance:

A. Promote the preservation of principal;

B. Structure maturities to promote liquidity and accessibility of funds for projected or unexpected expenditures;

C. Mitigate the effects of interest rate volatility upon reserve assets;

D. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;

E. Minimize investment costs.

5. The Board may consider the following circumstances in investing reserve funds:

A. General economic conditions;

B. Possible effect of inflation or deflation;

- C. Expected tax consequences;
- D. Role that each investment plays in the overall investment portfolio;
- E. Other Association resources.

6. All accounts, instruments and other documentation of investments will be subject to the approval of, and may from time to time be amended by, the Board as appropriate, and will be reviewed periodically.

7. The President or Treasurer is authorized to purchase, invest in, acquire, sell, or assign any and all types and kinds of investments meeting the goals in paragraph 4; and to enter into agreements, contracts, and arrangements with respect to security transactions and to execute, sign, or endorse agreements on the Association's behalf. To withdraw or transfer funds, the signature of the President and Treasurer will be required.

8. The Association will carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds, as required by the governing documents and Colorado law.

9. The Association's manager or other person designated by the Board will maintain monthly statements, including detailed accounting of current values, income, and all transactions.

This Investment of Reserves Policy was adopted by the Board of Directors on this _____ day of 10/7/2025, 202__.

COTTON RANCH HOMEOWNERS' ASSOCIATION,
a Colorado nonprofit corporation

Signed by:

By: ALLAN BARROWS
Its: President

**COTTON RANCH HOMEOWNERS' ASSOCIATION
RECORDS INSPECTION POLICY AND PROCEDURE**

Effective Date: 10/7/2025

1. Availability and Inspection of Records. Any records required to be made available by law will be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours after written request of at least 10 days, or at the next regularly scheduled meeting if such meeting occurs within 30 days after the request. The written request will describe the records sought with reasonable particularity. The Board may require that requests be submitted on the form attached to this policy.

A. Upon receipt of a request, the Association will make an appointment with the Owner, at a time convenient to both parties, to conduct the inspection. Unless otherwise agreed, all records will be inspected at the management company's office. All appointments for inspection will be limited to 2 hours. If additional time is needed, another appointment will be made within 2 weeks, at a time convenient to both parties.

B. At the discretion of the Board or Association manager, records will be inspected only in the presence of a Board member, management company employee, or other person designated by the Board.

C. During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means the Association provides. Copies will be made at a cost based on the standard schedule of fees charged by the Association's management agent, which charges will include reasonable retrieval costs for off-site files or for any other necessary special processing. The Owner will be responsible for paying the total copying cost prior to receiving the copies. The Owner will be responsible for mailing costs, if any.

D. The right to copy records under this section includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission, if available, upon request by the Owner.

E. Records may not be removed from the office in which they are inspected without the Board's express written consent, which consent may be conditioned on receipt of a cash deposit that will be refunded upon return of the records.

1. Association Records. In addition to any records specifically required by law or the Association's Declaration or Bylaws, the Association will maintain the following records, which are the Association's sole records:

A. detailed records of receipts and expenditures affecting the Association's operation and administration;

B. records of claims for construction defects and amounts received pursuant to settlement of those claims;

C. minutes of membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board without a meeting (i.e., by written ballot or written consent in lieu of a meeting), and a record of all actions taken by a committee of the Board;

D. written communications among, and the votes cast by, Board members that are directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws or Colorado law;

E. Members' names in a form that permits preparation of a list of names and physical mailing addresses of all Members, showing each Member's number of votes ("Membership list");

F. the current articles of incorporation declaration, covenants, bylaws, rules and regulations, responsible governance policies required pursuant to Colorado law, and any other policies adopted by the Board;

G. financial statements, to the extent available, showing, in reasonable detail, the Association's assets and liabilities and results of its operations for the past three years;

H. tax returns for the past seven years, to the extent available;

I. a list of the names, electronic mail addresses, and physical mailing addresses of its current directors and officers;

J. its most recent annual report delivered to the Secretary of State;

K. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;

L. the Association's most recent reserve study, if any;

M. current written contracts to which the Association is a party;

N. written contracts for work performed for the Association within the immediately preceding two years;

O. records of Board or committee actions to approve or deny design or architectural approval from Members;

P. ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate (provided that any identifying information on ballots may be redacted prior to owner inspection);

Q. resolutions adopted by the Board relating the characteristics, qualifications, rights, limitations, and obligations of Members or any class of Members;

R. written communications within the past three years to Members generally as Members;
and

S. a list of the current amounts of all unique and extraordinary fees, assessments, and expenses that are chargeable by the association (including those of any management company) in connection with the purchase or sale of a unit and are not paid for through assessments, including transfer fees, record change fees, and the charge for a status letter or statement of assessment due.

If the Association stores other types of documentation, or stores documentation for a longer time period than may be required above, those documents will not be considered Association records.

2. Additional Records/Information. The following additional information as required by C.R.S. § 38-33.3-209.4 will be kept and made available:

A. the name of the Association's designated agent or management company;

B. a valid physical address and telephone number for both the Association and manager or management company;

C. the name of the common interest community;

D. the initial date of recording of the Declaration;

- E. the reception number or book and page for the Declaration;
- F. the date on which the fiscal year commences;
- G. the operating budget for the current fiscal year;
- H. a list, by Lot type, of the Association's current assessments (regular and special);
- I. the annual financial statements, including any amounts held in reserve, for the fiscal year immediately preceding the current annual disclosure;
- J. the results of the most recent available financial audit or review, if any; and
- K. a list of all Association insurance policies, including company names, policy limits, policy deductibles, additional named insureds, and expiration dates. The insurance policies themselves will also be kept and made available.

3. Restrictions on Use of Membership List.

- A. No Member may use Association records, or allow Association records to be used, for commercial purposes.
- B. In addition, a Membership list may not be:
 - i. used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;
 - ii. used for any commercial purpose;
 - iii. sold to or purchased by any person;
 - iv. used for any purposes unrelated to the Member's interest as a Member; or
 - v. used for any other purpose prohibited by law.

Members requesting a Membership list will be required to sign the agreement attached to this policy indicating that they will not use the list for the purposes stated above.

4. Records That May Be Withheld. Pursuant to Colorado law, the following records may be withheld from inspection and copying to the extent that such records are or concern:

- A. architectural drawings, plans, and designs, unless the legal owner of the drawings, plans, or designs provides written consent to the release;
- B. contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are still in or under negotiation;
- C. communication with legal counsel 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 Board; and
- F. records related to an individual Lot other than the Member's.

G. If these records are made available for inspection, the procedure set forth in Paragraph 1 applies.

5. Records That Are Not Available. Pursuant to Colorado law, the following records are not subject to review, inspection, and/or copying, and will be withheld from any inspection:

- A. personnel, salary, or medical records related to specific individuals; and
- B. Members' personal identification and account information, including:
 - i. bank account information;
 - ii. telephone numbers;
 - iii. electronic mail addresses;
 - iv. driver's license numbers;
 - v. social security numbers; and
 - vi. vehicle identification information.

Notwithstanding the limitations above, an Owner or resident may provide the Association with prior written consent to the disclosure of, and the Association may publish to other Owners and residents, the person's telephone number, electronic mail address, or both.

6. Creation of Records. Nothing contained in these policies will be construed to require the Association to create records that do not exist or compile records in a particular format or order.

7. Remedies. The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a commercial purpose.

This Records Inspection Policy and Procedure was adopted by the Board of Directors on this _____ day of 10/7/2025, 2025.

COTTON RANCH HOMEOWNERS' ASSOCIATION,
a Colorado nonprofit corporation

Signed by:
ALLAN BARROWS
By: _____
Its: President

**COTTON RANCH HOMEOWNERS' ASSOCIATION
REQUEST FOR ACCESS TO ASSOCIATION RECORDS**

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

1. Pursuant to state law and the Association's Records Inspection Policy, I hereby request that Cotton Ranch Homeowners' Association provide access to the records of the Association. I have requested to inspect and/or obtain copies of the following records:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____

(Please be as specific as possible. Add additional pages, if necessary.)

I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

2. I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner or for any commercial purpose. I further understand and agree that the Association's membership list may not be:

- (i) 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 held by the Association;
- (ii) Used for any commercial purpose;
- (iii) Sold to, otherwise distributed to, or purchased by any person; or
- (iv) Any other purpose prohibited by law.

3. I acknowledge and accept the Association's records inspection policy. I acknowledge and accept that the Association's records will be made available to me only at such time and place as the Association's policy provides, and that there may be a cost associated with providing copies of these documents for me. I agree to pay any costs associated with copying these documents. In the event the records provided to me by the Association are used for any commercial purposes or other improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Member Signature: _____ Date: _____

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

**COTTON RANCH HOMEOWNERS' ASSOCIATION
DISPUTE RESOLUTION POLICY AND PROCEDURE**

Effective Date: 10/7/2025

1. Required dispute resolution procedure for claims against Association. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or property manager of the Association, an Owner must request and attend a hearing with the Board. The request will be in writing and will be personally delivered to any Board member or the Association's property manager. The Owner, in the request and at the hearing, must make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and will give the Board a reasonable opportunity to address the Owner's grievance. Upon receiving a request for a hearing, the Board will give notice of the date, time, and place of the hearing to the person requesting the hearing. The Board will schedule this hearing for a date not less than 14 or more than 30 days from the date the request is received. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but will not be required to do so.

2. Discretionary dispute resolution procedures for other claims. The procedures set forth below may be used in any disputes between Owners and/or residents. At its discretion, the Board may use the procedures set forth below to resolve disputes with Owners prior to filing litigation.

A. Negotiation. A request for dispute resolution by negotiation may be initiated by an Owner or the Association. The request will be in writing, stating the nature and details of the dispute and will be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting will be held between the parties to begin a good faith attempt to negotiate a resolution not less than 14 or more than 30 days of receipt of the request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

B. Mediation. If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they will participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator will be selected by a consensus of the parties involved within 14 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

This Dispute Resolution Policy and Procedure was adopted by the Board of Directors on this _____ day of 10/7/2025, 2025.

COTTON RANCH HOMEOWNERS' ASSOCIATION,
a Colorado nonprofit corporation

Signed by:
ALLAN BARROWS
By: 966C594F69CD43B...
Its: President

**COTTON RANCH HOMEOWNERS' ASSOCIATION
RESERVE STUDY AND FUNDING POLICY**

Effective Date: 10/7/2025

1. Reserve Study. The Association is not required under the governing documents to have a reserve study. The Association may not have any reserve study updated or revised periodically. Reserve studies are preferred to be based on a physical examination of the Community by the person preparing the reserve study.

2. Reserve Funding. Funding for replacement is preferred to be based on a financial analysis performed by a professional reserve specialist. Funding for replacement is planned and projected to be assessment of the Owners, as determined, from year-to-year, by the Board, or from the following sources: (A) cash then on hand, including the operation and the reserve accounts, (B) annual assessments of owners, (C) special assessments of owners, (D) a loan as may be obtained by the Association, and/or (E) any combination of the above.

This Reserve Study and Funding Policy was adopted by the Board of Directors on this ____ day of 10/7/2025, 2025.

COTTON RANCH HOMEOWNERS' ASSOCIATION,
a Colorado nonprofit corporation

Signed by:
ALLAN BARROWS
By: _____
Its: President 066C594F69CD43B...