

SECOND AMENDMENT OF THE RULES
OF
VANCE TOWNHOUSE CONDOMINIUM ASSOCIATION

The Rules of this Association as reviewed and amended in the First Amendment of the Rules (and Regulations) approved February 2, 2006, are further amended on the stated effective date(s) as follows:

This Rule 1 supersedes in whole all prior rules and policies regarding adopting and amending Rules and Regulations:

Rule 1. Procedures for Adopting and Amending Rules

- 1.1 After due consideration, the Board will draft or cause to be drafted proposed rules and/or amendments of rules ("proposed rules") for the Board's proposed rulemaking.
- 1.2 At a regular or special Board meeting, the Board will act upon the proposed rules upon proper motion, second, and discussion by the Board members only (and any other persons only as specifically requested by the Board) and will adopt, reject, amend, or otherwise act upon the proposed rules by a majority vote of a quorum of the Board.
- 1.3 Upon adoption of the final rules, as the rules may be amended by the Board, the Board shall mail by regular first class mail or hand deliver the rules as adopted to the owners at their addresses of record with the Association.
- 1.4 The rules will be numbered and will show the date on which each rule is effective.
- 1.5 The Association shall maintain the current, effective rules in an orderly manner so that owners and Board members may readily access the rules.

Effective Feb. 1, 2014

This Rule 2 supersedes all prior assessment collection rules and policies

Rule 2. Assessment Collection

- 3.1 Monthly assessments (sometimes called dues or maintenance fees) are due and payable the first day of the month (the due date), are delinquent if not paid on the due date, and incur a late charge and bear interest from the date of delinquency if not paid on or before 10 days after the due date.
- 3.2 Special assessments are due on the date(s) specified in the special assessment.
- 3.3 The owner shall pay a late charge of \$10.00 on each late assessment payment.
- 3.4 In addition, the owner shall pay interest on each assessment after the due date of that assessment at the rate of 18 percent per annum.
- 3.5 The Association will charge the owner the Association's direct costs as a result of a returned or rejected check or other instrument, plus the Association's \$25.00 returned check charge.
- 3.6 ~~After the assessment payment is delinquent, the Association or the~~ Manager will send a **Reminder Notice** to the owner (at the address of the unit/lot unless owner has provided written notice to the Association of a different owner address) that the payment is delinquent and the owner must pay the assessment plus applicable charges and interest.
- 3.7 After the **Reminder Notice**, the Association or the Manager will send a **Notice of Delinquency** to the owner address described above **in the form attached as Exhibit A** or form substantially similar.
- 3.8 If the owner intends to satisfy the entire debt to the Association by restrictive endorsement on a check or money order for an amount less than the full balance then due on the owner's account, that check or money order must be delivered to the Association or its managing agent personally or by prepaid certified mail, return receipt requested.
- 3.9 An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:
 - (a) Attorney fees and legal costs
 - (b) Association costs and expenses
 - (c) Late charges
 - (d) Interest
 - (e) Fines

(f) Assessments

The Association, through its designated agent, shall have the discretion to return any partial payment that directs payment other than in the above priority.

Effective Feb. 1, 2014

Exhibit A

Notice of Delinquency

Vance Townhouse Condominium Association

Date: _____, 20____

Regarding: Unit _____ in the above Association

Dear Owner:

This is notice that you are delinquent in payment of your assessments as shown in the accounting on the attached ledger.

Options:

- (1) CURE DATE. The delinquency must be cured on or before 30 days after the date on this Notice of Delinquency

OR

- (2) PAYMENT PLAN. ~~Owner must enter into a written payment plan acceptable to the Association.~~ The payment plan must permit the owner to pay off the deficiency, including a reasonable administrative fee, in equal installments over a period of at least six months, in addition to paying the regular assessments due over the period of the payment plan.

The Association is not obligated to negotiate a payment plan if the owner has previously entered into a payment plan and has failed to comply with the payment plan, if the owner does not occupy the unit, or if the owner acquired the unit as a result of a default of a security interest encumbering the unit or foreclosure of the Association's lien on the unit.

To enter into a **payment plan**, please contact:

Hufford & Co., Inc.

At contact information: Phone: 303-424-8824

Email: _____

Regular mail: 7828 Vance Dr., #200
Arvada, CO 80003-2126

OR

- (3) **COLLECTION ACTION.** If you do not pay the total amount due or enter into a payment plan acceptable to the Association on or before the Cure Date above, or, after having entered into a payment plan, you fail to pay an installment under the payment plan or to remain current with regular assessments as they come due within the period of the payment plan, the Association will turn over your account to a law firm or collection agency for collection. The Association may file a lawsuit against you, the Association may sue to have the court appoint a receiver for your property, the Association may foreclose on its lien against your property if the assessments and charges equal or exceed six months of common expense assessments and the Board has voted by recorded vote to file the foreclosure action, and the Association may pursue other remedies available to it under Colorado law.

General Provisions.

An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:

- (a) Attorney fees and legal costs
- (b) Association costs and expenses
- (c) Late charges
- (d) Interest
- (e) Fines
- (f) Assessments

The Association, through its designated agent, shall have the discretion to return any partial payment that directs payment other than in the above priority.

From the time your **account is turned over to the law firm**, you must communicate only with the law firm to pay or settle the account. You must pay all late charges, interest, costs of collection, and attorney fees incurred by the Association.

Rule 4. Association Records: Maintenance, Retention, and Production; Audits and Reviews; Education of Owners and Board Members

This Rule 4 supersedes all prior rules and policies regarding Records

- 4.1 The Association will maintain, retain, and produce Association records in accordance with law and the Association's governing documents, including the declaration, articles of incorporation, bylaws, and this Rule. This Rule conforms with Colorado Revised Statutes §§ 38-33.3-209.4, -209.5, and -317, as amended.
- 4.2 All Association records must be maintained in a form that allows conversion into written form in a reasonable time.
- 4.3 The **following records will be maintained** at the Association's principal office as described in the records of the Colorado Secretary of State and shall be considered the sole records of the Association for purposes of document retention and production to owners:
 - 4.3(a) Detailed records of receipts and expenditures affecting the operation and administration of the Association;
 - 4.3(b) Records of claims for construction defects and amounts received pursuant to settlement of those claims;
 - 4.3(c) Minutes of all meetings of owners and the Board, a record of all actions taken by the owners or the Board without a meeting, and a record of all actions taken by any committee of the Board;
 - 4.3(d) Written communications among, and votes cast by the Board members that are: (a) directly related to an action taken by the Board without a meeting pursuant to CRS § 7-128-202, or (b) directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws;
 - 4.3(e) The names of owners in a form that permits preparation of a list of names of all owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each owner is entitled to vote;
 - 4.3(f) Its current Declaration, Covenants, Articles of Incorporation, Bylaws, Rules and Regulations, Responsible Governance Policies adopted pursuant to CRS § 38-33.3-209.5, and other policies adopted by the Board;
 - 4.3(g) Financial statements as described in CRS § 7-136-106 for the past three years and tax returns of the Association for the past seven years, to the extent available;
 - 4.3(h) A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;
 - 4.3(i) Its most recent annual report delivered to the Secretary of State, if any;

- 4.3(j) Financial records sufficiently detailed to enable the Association to comply with CRS § 38-33.3-316(8) concerning statements of unpaid assessments, to be sent by certified mail, return receipt requested, so they are received by requesting party within 14 days of Association's receipt of request;
 - 4.3(k) The Association's most recent reserve study, if any;
 - 4.3(l) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
 - 4.3(m) Records of the Board or Committee actions to approve or deny any requests for design or architectural approval from owners;
 - 4.3(n) Ballots, proxies, and other records related to voting by owners for one year after the election, action, or vote to which they relate;
 - 4.3(o) Resolutions adopted by its Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members; and
 - 4.3(p) All written communications within the past three years to all owners generally as owners.
- 4.4 An owner or owner's authorized agent may inspect and copy Association records during normal business hours if the owner or authorized agent has submitted a written request, describing with reasonable particularity the records sought, at least 10 days prior to the inspection or production of documents. The Association's "Request to Inspect Records" form is attached to and made a part of this Rule. The Association may not condition the production of records upon stating a proper purpose.
- 4.5 Notwithstanding the Rule above, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an owner's interest as an owner without the consent of the Board. Without limiting the generality of this Rule, without the consent of the Board, a membership list or any part thereof may not be:
- 4.5(a) Used to solicit money or property unless such money or property will be used solely to solicit the votes of owners in an election to held by the Association;
 - 4.5(b) Used for any commercial purpose; or
 - 4.5(c) Sold to or purchased by any person.
- 4.6 Records maintained by the Association **may be withheld from** inspection and copying to the extent that they are or concern:
- 4.6(a) Architectural drawings, plans, and designs, unless released upon written consent of the legal owner of the drawings, plans, or designs;

- 4.6(b) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
 - 4.6(c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
 - 4.6(d) Disclosure of information in violation of law;
 - 4.6(e) Records of an executive session of the board; or
 - 4.6(f) Individual units other than those of the requesting owner.
- 4.7 Records maintained by the Association are **not subject to inspection and copying, and must be withheld**, to the extent that they are or concern:
- 4.7(a) Personnel, salary, or medical records relating to specific individuals; or
 - 4.7(b) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.
- 4.8 The Association will impose a reasonable charge, which may be collected in advance and will cover 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.
- 4.9 A right to copy records under this Rule includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request of an owner.
- 4.10 The Association is not obligated to compile or synthesize information.
- 4.11 Association records and the information contained within those records shall not be used for commercial purposes.
- 4.12 Upon request, the selling unit owner shall either provide to the buyer or authorize the Association to provide to the buyer, upon payment of the Association's usual charge pursuant to the Rule above, all the common interest community's governing documents and financial documents, as listed in the most recent version of the contract to buy and sell real estate promulgated by the real estate commission as of the date of the contract.
- 4.13 Audits or reviews of the books and records of Association shall be done at the discretion of the Board or upon owner request as follows:
- 4.13(a) An audit is required only if the Association has annual revenues or expenditures of at least \$250,000 and owners of at least one-third of the units represented by the Association request an audit.

- 4.13(b) A review is required only when requested by the owners of at least one-third of the units represented by the Association.
- 4.13(c) Copies of audits or reviews shall be available on request to any owner 30 days after completion.
- 4.14 Within 90 days after the change of any of the following, the Association will give written notice to the owners of the following items by first class mail, personal delivery, a binder at the principal place of business, or on the Association's website:
- 4.14(a) Names of the Association and the common interest community
 - 4.14(b) Name and address of management company, if any
 - 4.14(c) Physical address and phone number for the Association and the designated agent or management company
 - 4.14(d) Date of recording of the Declaration and recording information
- 4.15 Within 90 days after the end of each fiscal year, the Association will make the following information available to owners by first class mail, personal delivery, a binder at the principal place of business, or posting on the Association's website:
- 4.15(a) Date the Association's fiscal year begins
 - 4.15(b) Operating budget for the current year
 - 4.15(c) List of current regular and special assessments, by unit type
 - 4.15(d) Annual financial statements, including reserves
 - 4.15(e) Results of most recent audit or review
 - 4.15(f) List of all Association insurance policies (property, general liability, director and officer liability, fidelity), including companies, policy limits and deductibles, additional insureds, and expiration dates
 - 4.15(g) Association's bylaws, articles, and rules and regulations
 - 4.15(h) Minutes of board and member meetings for prior fiscal year
 - 4.15(i) Association's "Responsible Governance Policies" (contained in bylaws, rules, and policies)
- 4.16 The Association will provide free education annually to all owners on the general operations of the Association and the rights and duties of the owners, the Association, and the Board of Directors. The criteria for this education shall be determined from time to time by the Board.
- 4.17 The Association encourages education on good governance for the members of the Board. Upon submission prior to the seminar or course, the Board may approve payment of expenses for education for individual members of the Board if the education is directly related to good Association operations within the common interest community.

Effective Feb. 1, 2014

REQUEST TO INSPECT RECORDS

[Revised March 2014]

This written request is pursuant to the Rule or Policy on Records Inspection of the Vance Townhouse condominium Association

To: Vance Townhouse Condominium Association, c/o Hufford & Co., Inc.

Address: 7828 Vance Drive, #200, Arvada CO 80003-2126

Email: _____

Date of this Request: _____, 20____

Date you or your agent intends to inspect the records (Must be at least 10 days after date of request): _____, 20____

Person(s) requesting Inspection of the Association's records: _____

Person(s) who will be present for the review of the Association's records: _____

Please note that all actual costs of inspection and any authorized copies must be paid in advance by the person requesting them.

State with particularity the records requested for inspection. Please include type and date(s) of record(s), those records for which you request a copy, and any specifics that will identify the information you seek to review. If necessary, use additional sheets.

Record

Date

_____	_____
_____	_____
_____	_____

Request by: _____

Signature

Address: _____

Phone: _____ Email: _____

Rule 7. INSURANCE CLAIM, ADJUSTMENT, AND DEDUCTIBLE PROCEDURES

This Rule 7 is added to the Rules of Vance Townhouse Condominium Association and supersedes all prior Association policies and rules relating to insurance.

- 7.1 The Association is not required and does not maintain property insurance (casualty insurance) to cover damage or loss to any improvements, fixtures, decorating, furniture, furnishings, appliances, or other personal property supplied, installed, or stored by the Owners within the Unit. The Association strongly recommends that Owners obtain and maintain casualty insurance to cover those items that the Association does not cover.
- 7.2 Section 38-33.3-313(6) of Colorado Revised Statutes allows an association to adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and other matters of claim adjustment. To the extent the Association settles a claim for damage to real property, it shall have the authority to assess all Association-paid deductibles to negligent Owners causing such loss. The Board of Directors, after providing the Owner with notice and an opportunity to be heard, may assess the applicable deductible to the Owner provided there is evidence that the damage was attributable to the actions or omissions of the Owner.
- The notice and opportunity to be heard as required above shall be consistent with the notice and hearing procedures outlined in the Association's Enforcement Policy.
- 7.3 Any deductible assessed against an Owner shall be collectible in the same manner as the common expense assessments.
- 7.4 In accordance with Section 10-4-110.8 of Colorado Revised Statutes, the below procedures shall apply to all Owner-initiated insurance claims against the insurance policy maintained by the Association, and must be followed by the Owner before a claim can be filed.
- a. The Owner must provide written notice to the Association, in care of the Association's Managing Agent, or the Association's Registered Agent, as reflected in the records of the Colorado Secretary of State, within 10 days of any incident where the Owner wishes to file a claim against the Association's insurance policy.
- b. The notice must describe in reasonable detail the incident and the initial information regarding the scope and extent of any damage, as well as the cause of any damage, and shall also include the following:

- (1) Owner's address, phone number, and the address of the Unit where the incident occurred if different from the Owner's address;
- (2) The time, location and events surrounding the incident, in reasonable detail;
- (3) The names and addresses of the injured, if applicable; and
- (4) The names and addresses of any and all witnesses.

c. The Association will respond in writing to the Unit Owner within 15 days, of the date notice is received by the Association.

d. The Association's response may be contingent on the Association's insurance agent having a reasonable opportunity to inspect the damage and the subject matter of the claim. Any such inspection shall be completed within 30 days of the Association's written response.

e. Should the Board determine that the subject matter of the claim falls within the Association's insurance responsibility, the Board shall submit the claim to the Association's insurance carrier on behalf of the Owner, in compliance with the requirements of the Association's insurance policy.

f. If the Association's insurance agent or adjustor, after the inspection of the damage and the probable cause of the damage, determines that the subject matter of the claim falls outside the Association's insurance responsibilities, no claim may be filed against the Association's policy.

g. The Unit Owner or the Board may at any time request clarification of coverage from the Association's insurance carrier. The Association's insurance carrier, when determining premiums to be charged to the Association, shall not take into account any request by a Unit Owner or the Board for a clarification of coverage.

In the event a court of competent jurisdiction finds a provision of this rule void or otherwise unenforceable, all other provisions shall remain effective as written.

Effective Feb. 1 20 14

This Second Amendment of the Rules of Vance Townhouse Condominium Association was adopted by majority vote of a quorum of the Board on

Jan. 20 2014

ATTEST:



Secretary