

**RESPONSIBLE GOVERNANCE  
POLICIES**



**DISPUTE RESOLUTION POLICY;  
COVENANT ENFORCEMENT/HEARINGS;  
ALTERNATE DISPUTE RESOLUTION**

Per C.R.S. 38-33.3-209.5(1)(b)(IV) & (VIII) and 38-33.3-124

In any controversy between the Association and a Unit Owner arising in any manner out of the Association Documents, Project, or the operations or the actions of the Association or Board, OTHER THAN NON-PAYMENT OF ANY ASSESSMENT (including Annual, Special and Default Assessments), the parties shall adhere to the following policy. Nothing in this policy shall constitute an election of remedies nor preclude the Board or Owners from seeking immediate assistance from other enforcement authorities such as police, fire or animal control.

**INFORMAL RESOLUTION:** It is the preference of the Board that Owners first attempt informal resolution by personal or written communication prior to seeking formal resolution. Therefore, any Owner, Owner's tenant, manager or agent of the Association shall first make request directly to that Owner that an Owner or resident cease or correct any act or omission, which appears to be in violation of an Association Document.

**FORMAL RESOLUTION:**

A. Board Review. Should informal communication measures fail, Owners may initiate formal resolution of violations by delivering written notice to the Board or manager indicating the specific nature of the violation, the date, time and location of the violation, as well indication of the failed informal resolution. The Board shall use its judgment in deciding if and how to proceed regarding any written complaint.

B. First Notice. When the Board believes that corrective action is required regarding a violation, written notice will be sent to the alleged violating Owner (copied to the resident, if non-owner occupied) identifying the violation and setting forth a timeframe for correction ("First Notice").

C. Subsequent Violation. A subsequent violation or non-response to the First Notice will result in imposition of a fine or other penalty with an option to appear before a hearing with the Board of Directors, or their designated agent. The alleged violator shall have twenty (20) days from the receipt of this notification to request a hearing with the Board to dispute any violation or dispute the imposition of any fine or other penalty. The provision for time to request a hearing, mediation or appeal, or the pendency of same, shall not preclude citation for a subsequent offense no matter when occurring; and subsequent violation of the same covenant or rule shall not delay any such time period.

D. Fines. The penalty may consist of fines, penalties, damages or suspension of common area privileges for non-compliance with the rules, regulations or covenants. Payment and collection of all assessed fines, monetary penalties or damages will be in accordance with the Association's established Collection Policy. Fines may be levied up to the following sums:

1 <sup>st</sup> :	\$ 50.00
2 <sup>nd</sup>	\$100.00
3 <sup>rd</sup> and successive:	\$200.00

E. Appeal Hearing. If the person charged with a violation requests a hearing to appeal the imposition of a penalty, a hearing shall be set and written notice of the date, time and place shall be provided to all interested parties. Such hearing shall be open to attendance to any Owner or person having the right to attend any meeting of the Board; although, the Board may restrict attendance to only those parties to the dispute and their witnesses as permitted in the Bylaws. The Board, complaining and accused party shall have the opportunity to testify, present and question and cross-examine any witness or involved party. The person charged may speak for him or herself or may be represented by counsel throughout the hearing. Failure to respond or attend the hearing may be construed as an admission of the alleged violation. At the conclusion of the hearing, the Board shall discuss the statements and vote whether or not the accused violated the provisions of the Association's Association Document. A

majority vote of the Board shall control. The result of the vote shall be recorded in the minutes of the meeting, and announced to the accused and the party or parties who filed the complaint. If the Board imposes a fine or other penalty the Board shall provide written notice to the Owner of the fine or other penalty.

F. This process shall, at a minimum, guarantee the Unit Owner notice and an opportunity to be heard before an impartial decision maker, which means a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including its architectural requirements, and the other rules and regulations of the Association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association.

**MEDIATION:** Should any party fail to respond or comply under the procedures above; or should the violation be of an ongoing nature; or should a party deem it necessary for any reason after attempting the procedure above, the parties may elect to seek legal remedies and commence civil proceedings. However, in that event, the controversy **SHALL FIRST BE SUBMITTED TO MEDIATION** prior to the commencement of any legal proceeding (unless it is a debt collection as provided in the HOA policy for collection of unpaid assessments, or an emergency as provided below, or a second or subsequent offense of the same rule) and all Owners and the Association shall attempt to settle and resolve the matter in good faith. The party requesting mediation shall deliver a written request to the other party and if the parties cannot agree in good faith upon a date to mediate within thirty (30) days from the request for mediation, then the parties may proceed in seeking their legal remedy. If a mediation agreement is reached, it may be presented to the court as a stipulation. Either party to the mediation may terminate the process without prejudice; and if either party subsequently commits the same offense or violates the stipulation, the other party may apply immediately to the court for relief. To the extent an act violates State or local laws or ordinances, it may be reported to the appropriate authorities for enforcement without the necessity of first submitting the matter to mediation.

**ARBITRATION** is required in certain instances under Article V of the Project Declaration.

**EMERGENCY EXCEPTION:**In the event the violation constitutes a threat to the health, safety or welfare of person or property within the community, or is a violation of State or local laws or ordinances, the Association acting through the Board may institute an action in a court of competent jurisdiction to pursue legal remedies including seeking injunctive relief to abate the violation immediately without proceeding through steps outlined above or seeking mediation. Again, nothing in this policy shall preclude the Board or Owners from seeking immediate assistance from other enforcement authorities such as police, fire or animal control or as otherwise provided in hereinabove.

**COSTS:** The prevailing party in any civil action, but not mediation, shall be entitled to reimbursement from the non-prevailing party or parties for all reasonable collection costs and expenses, including attorney fees, in connection with such judicial relief.

Even if the matter is resolved without legal proceeding or alternate dispute resolution, the Association, any Unit Owner, or any class of Unit Owners adversely affected by the failure to comply shall be entitled to and may seek reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding or means of alternate dispute resolution. However, in connection with any claim in which a Unit Owner is alleged to have violated a provision of the "Act" (C.R.S. 38-33.3 101 et seq.) or any Association Document and in which the court finds that the Unit Owner prevailed because the Unit Owner did not commit the alleged violation: (I) the court shall award the unit owner reasonable attorney fees and costs incurred in asserting or defending the claim; and (II) the court shall not award costs or attorney fees to the Association. In addition, the Association shall be precluded from allocating to the Unit Owner's account with the Association any of the Association's costs or attorney fees incurred in asserting or defending the claim. In any event, a Unit Owner shall not be deemed to have confessed judgment to attorney fees or collection costs.

**RESPONSIBLE GOVERNANCE  
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**COLLECTION OF UNPAID ASSESSMENTS**

Per C.R.S. 38-33.3-209.5(1)(b)(I) & 209.5 (5)

**A.** Any Assessment installment, whether pertaining to any Annual, Special or Default Assessment, which is not paid on or before five (5) days after its due date, shall become delinquent. If an Assessment installment becomes delinquent, the Board or Manager shall take the following actions:

(I) Assessments more than FIFTEEN (15) DAYS PAST DUE: assess a late fee equal to ten percent (10%) of the sum due, and thereafter another late fee every thirty days an outstanding balance remains unpaid.

(II) Assessments more than THIRTY (30) DAYS PAST DUE: Send written first notice to the Owner stating the amount due and suspending the voting rights of that Owner, as a Member of the Association or Board, unless cured on or before the meeting at which they would otherwise vote; and in the Board's discretion suspend the Owner's right to use specific General Common Elements such as common parking or other defined Recreational Facilities of any nature benefiting all Units. In addition to the proceeding to enforce and collect the unpaid Assessments, violations of this specific sub-provision by a defaulting Owner shall be subject to fines and enforcement as provided as provided in the Declaration, Bylaws or HOA policy on Covenant Enforcement.

(III) Assessments more than SIXTY (60) DAYS PAST DUE: Send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and/or late fees have accrued, and that if the account goes more than ninety (90) days past due, as provided below, then the matter may be turned over to collection and possible foreclosure, suit for personal judgment or other applicable remedies as provided in subsection C below.

(IV) Assessments more than NINETY (90) DAYS PAST DUE: (1) accelerate the remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year or other predetermined assessment period shall be due and payable at once; and (2) in accordance with the procedure and limitations of subsection C below, turn the matter over to collection, attorneys, or itself bring an action at law against any Owner personally obligated to pay the delinquent assessments and/or institute and proceed with foreclosure against the defaulting Owner's Unit in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado; whichever course of action the legal counsel for the Association (or the Board if the Association does not obtain legal counsel) deems advisable under the circumstances.

(V) Legal Fees. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorneys' fees and collection costs incurred in connection with the enforcement of the lien. In connection with any demand for payment or civil action to collect any money or sums due to the Association, the Association may require reimbursement for its collection costs and reasonable attorney fees and costs incurred as a result of such failure without the necessity of commencing a civil action. No attorney fees, court costs, or other charges incurred by the Association or a holder or assignee of the Association's lien in connection with an action that is dismissed for this reason may be assessed against the Unit Owner.

(VI) Miscellaneous. (i) The Owner shall be required to pay the Association the monthly assessment installments plus ongoing late fees for the Unit during the period of any foreclosure. The Association shall have the power to bid on a Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same; (ii) In addition to any and all charges imposed under the Declaration, Rules and Regulations or other Association Document, a thirty five dollar (\$35.00) fee or other amount deemed appropriate by the Board shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds; (iii) All payment plans involving accounts referred for collection shall be set up and monitored through the collection agency or attorney or as otherwise agreed to by the parties. Once an Owner's account is turned over for collection, all communication regarding the account must be made through the collection agent or attorney, if applicable. Payments shall be applied

on the delinquent account of a Unit Owner as follows: first applied to the payment of late charges; then accrued interest; then collection and/or attorney fees; then the balance applied in reduction of the principal amount.

The Board is hereby authorized to consider hardship and other circumstances to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances. However, ASSESSMENTS AND FEES REMAIN DUE IN ALL CIRCUMSTANCES AS PROVIDED BY COLORADO LAW AND THE DECLARATION. THUS, THE FAILURE OF THE ASSOCIATION TO COMPLY WITH ANY PROVISION IN THIS COLLECTION POLICY OR OTHER ASSOCIATION DOCUMENT SHALL NOT BE DEEMED WAIVER OR A DEFENSE TO PAYMENT OF ASSESSMENTS, FEES OR OTHER CHARGES IMPOSED BY THIS COLLECTION POLICY OR THE ASSOCIATION DOCUMENTS.

**B.** A payment plan shall be negotiated in good faith between the Holder of Association debt and the Unit Owner shall permit the Unit Owner to pay off the deficiency in equal installments over a period of six (6) months. Nothing herein shall prohibit a Holder from pursuing legal action against a Unit Owner if The Unit Owner fails to comply with the terms of his or her payment plan. A Unit Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the six-month period, constitutes a failure to comply with the terms of his or her payment plan entitling the Holder to commence collection action or legal proceedings in accordance with this Policy. The Association shall make a good-faith effort to coordinate with the Unit Owner to set up a payment plan that meets the requirements of this Policy; however, notwithstanding the foregoing, this section of the Policy does not apply if the Unit Owner does not occupy the Unit and has acquired the property as a result of: (A) A default of a security interest encumbering the Unit; or (B) Foreclosure of the Association's lien. Moreover, the Holder of the Association's debt is not obligated to negotiate a payment plan with a Unit Owner who has previously entered into a payment plan under this Policy.

**C.** The provisions of Section A to this Policy regarding the collection of unpaid assessments address: (1) the date on which assessments must be paid to the entity and when an assessment is considered past due and delinquent; (2) any late fees and interest the entity is entitled to impose on a delinquent unit owner's account; and (3) Any returned-check charges the entity is entitled to impose. The provisions of Section B to this Policy regarding the collection of unpaid assessments address the circumstances under which a unit owner is entitled to enter into a payment plan with the entity pursuant to section C.R.S. § 38-33.3-316.3 and the minimum terms of the payment plan mandated by that section.

(I) Accordingly, pursuant to C.R.S. § 38-33.3-209.5 (5) (a), the Association or a holder or assignee of the Association's debt, whether the holder or assignee of the Association's debt is an entity or a natural person (the "Holder"), may not turn over a delinquent account of a Unit Owner to a collection agency or refer it to an attorney for legal action, until the Unit Owner is sent a notice of delinquency specifying:

- (1) The total amount due, with an accounting of how the total was determined;
- (2) Whether the opportunity to enter into a payment plan exists pursuant to Section B to this Policy and C.R.S. § 38-33.3-316.3 and instructions for contacting the Holder to enter into such a payment plan;
- (3) The name and contact information for the individual the Unit Owner may contact to request a copy of the Unit Owner's ledger in order to verify the amount of the debt; and
- (4) That action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the unit 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 unit Owner's property, or other remedies available under Colorado law;
- (5) The legal remedies available to the entity to collect on a Unit Owner's delinquent account pursuant to the governing documents of the Association or Holder, and Colorado law, as specified in Section A above.

(II) The Association may institute foreclosure proceedings against the defaulting Owner's Unit in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado; except that the Association or a holder or assignee of the Association's lien, whether the holder or assignee of the Association's lien is an entity or a natural person, may only foreclose on the lien if: (a) The balance of the assessments and charges secured by its lien, as defined in this subsection, equals or exceeds six months of Common Expense Assessments based on a periodic budget adopted by the Association; and (b) the Executive Board has formally resolved, by a recorded vote, to authorize the filing of a

legal action against the specific Unit on an individual basis. The Board may not delegate its duty to act under this section to any attorney, insurer, manager, or other person, and any legal action filed without evidence of the recorded vote authorizing the action must be dismissed.

**RESPONSIBLE GOVERNANCE  
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**CONFLICTS OF INTEREST**  
Per C.R.S. 38-33.3-209.5(1)(b)(II)

Section 7-128-501 C.R.S., as amended from time to time, shall apply to Members of the Board; except that, as used in that Section, Corporation or Nonprofit Corporation shall mean the Association; Director means a member of the Board of the Association; and Officer means any person designated as an Officer of the Association and by any person to whom the Board delegates responsibilities under the “Act” (C.R.S. 38-33.3 101 et seq.), including, without limitation, a managing agent, attorney or accountant employed by the Board.

The Board believes restitution of actual damages is an adequate remedy for violations of the Association's conflict of interest policy.

A financial interest is hereby defined to include the following (Financial Interest): (a) An ownership interest or investment interest in any entity or activity with which the Association has, or contemplates a transaction or agreement; (b) compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or other agreement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or other agreement.

In the event any member of the board, the board member's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business has a Financial Interest in a decision or other action for the Board's consideration, that member must declare the conflict. The declaration of conflict must be made in a portion of the board meeting open to the Owners of the Association prior to discussion or action being taken.

**NO LOANS SHALL BE MADE BY THE ASSOCIATION TO ITS DIRECTORS OR OFFICERS.** Any director or officer who assents to or participates in the making of the loan shall be liable to the Association for the amount of the loan until it is repaid.

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

Although the member of the board declaring the conflict may participate in the discussion at the meeting, that member may not vote on that issue and must recuse himself or herself from discussing or voting on the issue.

This section shall not be construed to invalidate any provision of the Declaration, Bylaws, or other Association Documents that more strictly defines conflicts of interest or contains further limits on the participation of Board Members who may have conflicts of interest.

The Association's conflict of interest policies, procedures, and rules and regulations shall be reviewed by the Board periodically, including consulting with legal counsel to the extent necessary or advisable.

**RESPONSIBLE GOVERNANCE  
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**CONDUCT OF MEETINGS**

Per C.R.S. 38-33.3-209.5(1)(b)(III)

All meetings of the Association and Board of Directors are open to every Unit Owner of the Association, or to any person designated by a Unit Owner in writing as the Unit Owner's representative. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, unit owners or their designated representative shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on those persons speaking during the Meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue. Meetings shall proceed on issues as generally set forth in the agenda. The agenda will be made reasonably available to members and their duly appointed representatives.

However, notwithstanding any other provision herein, the members of the Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session shall include only the following matters: (a) Matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association; (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; (c) Investigative proceedings concerning possible or actual criminal misconduct; (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; (f) Review of or discussion relating to any written or oral communication from legal counsel. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

Votes for contested positions on the Executive Board shall be taken by secret ballot (contested being defined as an election where there are more candidates than positions to be filled). In general, uncontested elections of Board Members (those where the number of candidates is equal to or less than the number of vacancies to be filled) and all other votes taken at a Meeting of the Owners shall be taken in such manner as determined by the Board that will provide an accurate tally including, without limitation, by show of hands, oral indication of assent or rejection, or via an informal writing or ballot that need not comply with the formal criteria for a secret ballot herein. However, regardless of the foregoing, a vote on any matter affecting the Project on which all Owners are entitled to vote, including uncontested elections of the Board, shall be by secret ballot at the discretion of the Board or upon request of twenty percent (20%) of the Unit Owners who are present at the meeting or represented by proxy, if a quorum has been achieved. When a secret ballot is to be utilized, each Owner or person entitled to vote shall receive a secret ballot prepared at the direction of the Board or neutral party for the corresponding issue or election. The secret ballot shall contain no information identifying the voter or Owner participating in the vote and, to the extent practical or possible, utilize check-boxes to reflect the vote so as not to reveal the voters hand-writing.

Proxy voting shall proceed in strict compliance with Colorado Revised Statutes Sections 38-33.3-310 and 7-127-203.

All meetings shall proceed on issues generally set forth in the notice required by Colorado Revised Statute 38-33.3-308 and in accordance with the written order of business unless a majority of Owners in person or proxy vote to amend the written order of business. In the event a written order of business has not been produced for the meeting, the following order of business shall apply:

- (a) Roll call (check-in procedure);
- (b) Proof of notice of meeting;

- (c) Reading of minutes from preceding meeting;
- (d) Reports of individual Directors;
- (e) Establish number and term of Board memberships (if required and noticed);
- (f) Appointment of persons to take and count votes;
- (g) Election of Board of Directors (when required);
- (h) Ratification of Budget (if required and noticed);
- (i) Unfinished business from prior meetings; and
- (j) New Business



**RESPONSIBLE GOVERNANCE  
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**INSPECTION AND COPYING OF ASSOCIATION RECORDS**

Per C.R.S. 38-33.3-209.5(1)(b)(V)

The Association shall maintain financial records and the documents required herein, to be kept somewhere about the Project, with a digital or disc backup copy stored off-site, if possible. Unless a signed original instrument is required, any required document may be kept in digital or disc form. The cost of any audit shall be a Common Expense unless otherwise provided in the Association Documents, but not to exceed the actual cost incurred. The Association is not obligated to compile or synthesize information.

**1. Examination; Form; Limitation of Access**

(a) All records maintained by the Association must be available for examination and copying by a Unit Owner or the owner's authorized agent. The Association may require Unit Owners to submit a written request, describing with reasonable particularity the records sought, at least ten (10) days prior to inspection or production of the documents and may limit examination and copying times to normal business hours or the next regularly scheduled Executive Board meeting if the meeting occurs within thirty (30) days after the request. Notwithstanding any provision of the Declaration, Bylaws, Articles, or rules and regulations of the Association to the contrary, the Association may not condition the production of records upon the statement of a proper purpose. No records or membership lists may be obtained, reviewed, used by any person for any purpose unrelated to a Unit Owner's interest as a Unit Owner without the consent of the Board. Similarly, without limiting the generality of the preceding sentence, unless consented to by the Board, no records or membership lists may be obtained, reviewed, used or copied: (i) to solicit money or property unless such money or property will be used solely to solicit the votes of the Unit Owners in an election to be held by the association; (ii) for any commercial purpose; (iii) to be sold or purchased by any person.

(b) The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of association records. The charge may not exceed the estimated cost of production and reproduction of the records. To the extent permitted by law, the Association may also charge a reasonable transfer fee to compensate for the time spent by persons in responding to such requests for documentation or information. The Association shall also supply those documents to Owners that they are required under the Act to deliver as sellers to purchasers of their Units.

(c) Regardless of any provision herein, this section shall not be construed to affect: the right of a Unit Owner to inspect records: (i) under corporation statutes governing the inspection of lists of shareholders or members prior to an annual meeting; or (ii) if the Unit Owner is in litigation with the Association to the same extent as any other litigant; or the power of a court, independently of this article, to compel the production of Association records for examination on proof by a Unit Owner of proper purpose; nor shall this section shall not be construed to invalidate any provision of the Declaration, Bylaws, the corporate law under which the Association is organized, or other Association Documents or instruments that more broadly defines records of the Association that are subject to inspection and copying by Unit Owners, or that grants Unit Owners freer access to such records except that the privacy provisions above shall supersede any such provision.

**2. Records** In addition to any records specifically defined in the Association's Declaration or Bylaws or the public disclosures set forth in subsection (3) below, the Association must maintain the following, all of which shall be deemed to be the sole records of the Association for purposes of document retention and production to Owners:

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

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

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

- (d) Written communications among, and the votes cast by, Executive Board members that are:
- (i) Directly related to an action taken by the Board without a meeting pursuant to C.R.S. § 7-128-202; or
  - (ii) Directly related to an action taken by the Board without a meeting pursuant to the Association's bylaws;
- (e) The names of Unit Owners in a form that permits preparation of a list of the names of all Unit Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Unit Owner is entitled to vote.
- (f) Its current Declaration, covenants, Bylaws, Articles of Incorporation, if it is a corporation, or the corresponding organizational documents if it is another form of entity, rules and regulations, responsible governance policies adopted pursuant to C.R.S. § 38-33.3-209.5, and other policies adopted by the Executive Board;
- (g) Financial statements as described in C.R.S. § 7-136-106 for the past three years and tax returns of the Association for the past seven years, to the extent available;
- (h) A list of the names, electronic mail addresses, and physical mailing addresses of its current Executive Board members and officers;
- (i) Its most recent annual report delivered to the Secretary of State, if any;
- (j) Financial records sufficiently detailed to enable the Association to comply with C.R.S. § 38-33.3-316 (8) concerning statements of unpaid Assessments;
- (k) The Association's most recent reserve study, if any;
- (l) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
- (m) Records of Executive Board or committee actions to approve or deny any requests for design or architectural approval from Unit Owners;
- (n) Ballots, proxies, and other records related to voting by Unit Owners for one year after the election, action, or vote to which they relate;
- (o) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members; and
- (p) All written communications within the past three years to all Unit Owners generally as Unit Owners.

**3. Fiscal Year-End Disclosure.** Within ninety (90) days after the end of each fiscal year the Association shall make the following information available to Unit Owners upon reasonable advance notice.

- (a) the date on which its fiscal year commences;
- (b) its operating budget for the current fiscal year;
- (c) a list, by unit type, of the Association's current assessments, including both regular and special assessments;
- (d) its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) the results of its most recent available financial audit or review;

- (f) a list of all Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.
- (g) all the Association's Bylaws, Articles, and Rules and Regulations, if any;
- (h) the minutes of the Board and member meetings for the fiscal year immediately preceding the current annual disclosure; and
- (i) the Association's responsible governance policies adopted under C.R.S. 38-33.3-209.5.

**4. Exclusions.**

(a) Records maintained by an Association MAY BE withheld from inspection and copying to the extent that they are or concern:

- (i) Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
- (ii) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
- (iii) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- (iv) Disclosure of information in violation of law;
- (v) Records of an executive session of an Executive Board;
- (vi) Individual Units other than those of the requesting Owner; or

(b) Records maintained by an association are not subject to inspection and copying, and MUST BE withheld, to the extent that they are or concern:

- (i) Personnel, salary, or medical records relating to specific individuals; or
- (ii) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

**5. Form of Disclosure.** The Disclosure required above shall be accomplished by one of the following means: posting on an internet web page, if any established for the Association, with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business or at a Meeting; or mail or personal delivery, the cost of such distribution shall be accounted for as a common expense liability, but not to exceed the actual cost therefor. A right to copy records 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 Unit Owner.

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**INVESTMENT OF RESERVE FUNDS OF THE ASSOCIATION**

Per C.R.S. 38-33.3-209.5(1)(b)(VI)

Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Board decides.

The Board of Directors shall exercise business judgment in the investment of funds designated as reserve funds.

The Board of Directors shall reasonably investigate the options available for investment of some or all the reserve funds; emphasis will be placed on the preservation of principal.

The Board of Directors shall discuss the results of the investigation and the options for investment which meet the Association's goal for safety and income potential.

In the event the Board lacks experience in the investment options being considered to evaluate the safety and income potential, the Board may consider, and pay for, the opinions of its legal counsel, its public accountant, or other person the Board Members reasonable believe are within that persons expert competence, provided that other person will not directly benefit from the type and amount of investment or that person is insured against errors and omissions.

Upon the conclusion of the investigation, the discussion, and the opinions of experts (if necessary) the Board of Directors shall vote on how the reserve funds will be invested or reinvested, each Member of the Board should vote in what they believe is the best interest of the Association and a majority vote of the quorum shall control

As a part of the adoption of the regular budget, the Board may continue to include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major Common Element improvements.

With regard to the investment of reserve funds, the directors and officers of the Board shall be subject to the standards set forth in C.R.S. 7-128-401, as amended from time to time; except that, as used in that Section, Corporation or Nonprofit Corporation shall mean the Association; Director means a member of the Board of the Association; and Officer means any person designated as an officer of the Association and by any person to whom the Board delegates responsibilities under the "Act" (C.R.S. 38-33.3 101 et seq.), including, without limitation, a managing agent, attorney or accountant employed by the Board. Specifically, the officers and Members of the Board shall make investment decisions in good faith with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the director or officer reasonably believes to be in the best interest of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.

**RESPONSIBLE GOVERNANCE  
POLICIES**

●  
**ADOPTION AND AMENDMENT OF POLICIES & RULES**

Per C.R.S. 38-33.3-209.5(1)(b)(VII)

1. Adoption and Amendment. The Board may act in all instances on behalf of the Association, except as provided in the Declaration, the Bylaws or the “Act” (C.R.S. 38-33.3 101 et seq.). The Board shall have, in addition to those rights and powers established in the Declaration and subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, including but not limited to the following powers and duties:
  - (a) Propose amendments to the Bylaws to be approved as provided therein; however, in the event of conflict between any other Association Document and a Responsible Governance Policy, the other Association Document shall prevail.
  - (b) Reasonably govern the use of the Common Elements and, to that end, propose to adopt and amend guidelines, Rules and Regulations, design or architectural standards, as well as those protocols and policies required under the Declaration or Act, specifically the required Alternate Dispute Resolution policy, Responsible Governance Policies and policies for the education of the Board and/or Owners. To that end, the Board may delegate the right to evaluate and assist in drafting such documents to legal counsel or any committee of Owners formed for that purpose but, in any event, amendment or adoption of all such documents shall be subject to approval of the Board.
  - (c) The Board shall be entitled to propose those aforementioned rules, policies and provisions severally and individually either in one or more exhibits or in a separate instrument which shall itself be construed as an Association Document. In the event of conflict between any Bylaws or the Declaration versus that Association Document, the Bylaws or Declaration shall prevail but only to the extent the instrument attempts to invalidate the express language of the Bylaws or Declaration.
  - (d) All of the policies and guidelines referenced herein, whether an exhibit or separate instrument, may be adopted or amended from time to time by a majority approval of the Board, unless a greater percentage not to exceed than two-thirds is specified. Although consent of the Unit Owners is not specifically required, THE BOARD SHALL CAUSE COPIES OF ANY AMENDMENTS TO BE DELIVERED TO ALL OWNERS AND, IF A MAJORITY OF THE UNIT OWNERS DO NOT REASONABLY OBJECT IN WRITING TO THE BOARD WITHIN THIRTY (30) DAYS, THEY SHALL BE DEEMED ACCEPTED BY THE OWNERS. If a majority of the Owners object to less than the entire amendment or document, in that instance, the remaining provisions shall be severable and approved independent of the objected terms
2. Design or Architectural Guidelines, if any, shall not be inconsistent with the Declaration, but shall more specifically define and describe the design standards for the Project, including, but not limited to, items such as color, texture, structure, size, design, appearance, window coverings, antennae, landscaping and site improvement standards.
3. Excuse of Compliance. The Board, in its sole discretion upon hardship shown, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements.
4. Board Education. The Board may authorize, and account for as a common expense, reimbursement of board Members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of unit owners’ associations, the course content of such educational meetings and seminars shall be specific to Colorado, and shall make reference to applicable sections of C.R.S 38-33.3-209.7, as amended from time to time.
5. Owner Education. The Association shall provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the

Association, and its Board under Colorado law. The criteria for compliance with this section shall be determined by the Board.

The undersigned, on behalf of the Association attests that the foregoing individual policies and procedures (totaling 15 pages, including this page) called for under C.R.S. 38-33.3-209.5 and related sections of the Colorado Common Interest Ownership Act, were duly approved and adopted this \_\_\_\_\_ day of April, 2016 by resolution of the Board of Directors without objection of a majority of the Unit Owners.

\_\_\_\_\_

by \_\_\_\_\_

its \_\_\_\_\_