

**THE GREENS AT FAIRWAY PARK
ASSOCIATION**

**RESPONSIBLE GOVERNANCE
POLICIES**

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The Greens at Fairway Park Association (the "Association"), for the purpose of complying with C.R.S. §38.33.3-209.5, hereby adopts the following responsible governance policies, procedures and rules and regulations. Unless otherwise defined herein, terms defined in The Greens at Fairway Park Amended and Restated Townhome Declaration recorded in the real property records of Gunnison County, Colorado at Reception No. 658976, as amended (the "Covenants") and the Association's Articles of Incorporation, as amended (the "Articles") and bylaws, as amended (the "Bylaws") shall have the same meaning herein. The Covenants, Articles, and Bylaws shall hereafter be collectively referred to as the "Governing Documents."

Article 1: Collection of Unpaid Assessments - C.R.S. §38-33.3-209.5(1)(b)(I) and C.R.S. §38-33.3-209.5(5)(a):

1. Assessments are due within 30 days of the date of notice for such assessment and if not paid within such 30 days, then such assessments shall be delinquent.
2. Interest on delinquent assessments, including recovery of attorneys' fees incurred in pursuing delinquent assessments, is 18% per annum from the date the assessments become delinquent, which shall be charged at the rate of 1.5% per month.
3. The Association charges a late fee of \$_____ but does not charge any return-check charges.
4. 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 and instructions for contacting the Association to enter into such a payment plan;
 - C. The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and
 - D. That action is required to cure the delinquency and that failure to do so within thirty 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 or other remedies available under Colorado law.

5. In accordance with C.R.S. §38-33.3-316.3, a delinquent Owner may be eligible to enter into a payment plan, but not where:
 - A. The Owner does not occupy the Owner's Unit and has acquired the Owner's Unit as a result of a default of a security interest encumbering the Unit or foreclosure of a lien by the Association; or
 - B. The Owner has previously entered into a payment plan with the Association; or
 - C. The Association informs the delinquent Owner of the potential for a payment plan and the delinquent Owner does not agree to pay in accordance with the terms of the offered payment plan within 30 days of the Association informing the delinquent Owner of the potential for a payment plan and the terms of any such payment plan. The Association is under no obligation to negotiate or provide an opportunity for a payment plan of a greater duration than six months as provided below.
6. Any payment plan shall permit the delinquent Owner to pay off the delinquency in equal installments over a period of a least six months. The Board of Directors of the Association, in its sole discretion, may determine whether a payment plan should exceed six months in duration, and no Owner shall have any right to demand or request a payment plan for in excess of six months. An 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.
7. Payments on a delinquent account of an Owner are applied first to attorneys' fees and costs, then late fees, penalties and interest and then to the oldest balance due.
8. Unpaid assessments will be collected through enforcement of all rights, procedures and remedies under the Covenants in accordance with the remaining Governing Documents and applicable law. These rights, procedures and remedies include the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, obtaining and foreclosing a judgment against the Owner, the filing and foreclosure of a lien against the Owner's property or other remedies available under Colorado law. Delinquent Owners will be liable for all costs of collection, including without limitation attorneys' fees and court costs.
9. In determining which methods of enforcement to employ, it shall be the policy of the Association that the person or persons making such

decision on behalf of the Association take into consideration to the extent legally permissible, the totality of the circumstances including without limitation any history with the Owner.

Article 2: Handling of Conflicts of Interest Involving Board Members - C.R.S. §38-33.3-209.5(1)(b)(II):

1. Pursuant to C.R.S. §7-128-501, C.R.S., §38-33.3-310.5 and C.R.S. §38.33.3-209.5(4):
 - A. A “conflicting interest transaction” means: A contract, transaction or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to a director, or between the nonprofit corporation and an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest.
 - B. No loans shall be made by the Association to its directors or officers.
 - C. A board member shall disclose any conflicting interest transaction or possibility thereof by disclosing to the Board of Directors in an open meeting prior to any action being taken to which the conflict of interest relates the material facts as to the board member’s relationship or interest and as to the conflicting interest transaction.
 - D. A board member must recuse himself or herself from discussing or voting on any issue for which he or she has a conflicting interest.
 - E. The Board of Directors may authorize, approve or ratify the conflicting interest transaction duly disclosed in accordance with C.R.S. §7-128-501.
 - F. There shall be a periodic review of the Association’s conflict of interest policies, procedures and rules and regulations.

Article 3: Conduct of Meetings - C.R.S. §38-33.3-209.5(1)(b)(III):

Annual and special meetings of the Association and meetings of the Board of Directors shall be held in accordance with, and upon such notice as required by, Colorado law and the Governing Documents. The conduct of all meetings shall be in accordance with the Governing Documents. To the extent not otherwise provided by the Governing Documents, it shall be the policy of the Association that all Owners shall be provided a reasonable opportunity to speak and be heard at annual and special meetings of the Association and at meetings of the Board of

Directors. At a minimum, meetings must be conducted in accordance with the Colorado Common Interest Ownership Act.

Article 4: Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines - C.R.S. §38-33.3-209.5(1)(b)(IV):

1. All enforcement procedures shall comply with the Governing Documents and applicable law.
2. In the absence of contrary procedures and provisions in the Governing Documents and the law, the procedures for enforcement of the Covenants and rules shall be as follows:
 - A. Prior to the imposition of any fines for any violation of the governing Documents or any applicable law, it shall be the policy of the Association to attempt in good faith to contact in person the Owner allegedly in violation. This good faith obligation is not intended to be a bar to any subsequent enforcement actions if in-person contact is not made. Failure to make an in-person contact shall not, in any way, prevent the Association from enforcement of the Governing Documents and correction of any violation.
 - B. If the matter is not resolved to the satisfaction of the Association through an initial in-person contact, such Owner shall be provided with a written notice describing the alleged violation in sufficient detail to allow the Owner to determine the nature of the violation alleged. Such notice shall (1) set a deadline for compliance, (2) inform the Owner that the Owner may dispute that a violation exists and demand a hearing and (3) set a deadline to demand a hearing. These deadlines shall be set by the Board of Directors in accordance with what the Board of Directors believes to be reasonable under the circumstances taking into consideration the nature of the alleged violation. In no event shall these deadlines be less than 5 business days.
 - C. Any Owner who requests a hearing as provided above shall be afforded a fair and impartial hearing before a hearing board comprised of individuals who are impartial decision makers. The Owner must be given an opportunity to be heard at the hearing. An individual is an impartial decision maker if the individual has the authority to make a decision on a claimed violation and does not have a direct personal or financial interest in the outcome of the hearing. 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. The hearing board shall decide whether a violation exists, whether the Owner is the one who should be held responsible and impose the applicable fine if a violation does exist. The hearing board may rule orally at the hearing or through a written document provided to the Owner within 30 days of the hearing.

3. The schedule of fines for violations shall be as set forth in the Governing Documents and, to the extent not otherwise provided in the Governing Documents, as follows:

A.	First violation:	\$ _____
B.	Second violation:	\$ _____
C.	Third violation and all violations thereafter:	\$ _____

4. All fines are immediately due and payable when incurred. A fine becomes delinquent if not paid within 30 days of being imposed and such late fines will bear interest at the rate of 18% per annum. A violation that is continuing in nature may incur a new fine each day that it persists beginning on the 5th business day after the Owner receives the written notice described in 2.B. above as if the violation were a new violation each day that it persists (including for purposes of escalating the amounts), but the violation shall be considered a single, continuing violation for purposes of notice and a hearing.
5. The Association may at any time, pursue all other legal remedies available as provided by the Governing Documents and applicable law. The failure to enforce any provision of the Governing Documents, these rules or other applicable law, shall not be deemed a waiver of the right to do so for any subsequent violations. Each Owner shall be responsible for any non-compliance with the Governing Documents by such Owner, tenant of an Owner, guest of an Owner, family member of an Owner or invitee or licensee of an Owner.

Article 5: Inspection and Copying of Association Records by Owners - C.R.S. §38-33.3-209.5(1)(b)(V):

1. It shall be the policy of the Association to make all appropriate documents readily available to satisfy reasonable requests by Owners. Owners shall be provided with reasonable access to all Association documents to which they are legally entitled a right to inspect to the fullest extent permitted by law. Owners shall also be afforded an inspection opportunity within a reasonable period of time, which shall presumptively mean the documents are made available at

the next scheduled Association or Board of Directors meeting after a request, provided that the request is made at least five business days prior to the meeting.

2. All requests for inspection and/or copying must be in writing and identify the documents sought either specifically by document or by applicable category of documents.
3. All costs of copying shall be paid by the Owner requesting the copies. The Association may copy the documents itself or may send the documents away for copying in its sole discretion.
4. The Association's membership list or other member information shall not be used for solicitation, including financial and political solicitation, and shall not be used for any commercial purpose. The Association's membership list or other member information shall not be sold or made available to any person or entity. Any Owner requesting an opportunity to review or copy membership lists or information agrees to comply with this provision of these rules. The Association may pursue any Owner for damages or injunctive relief or both, including without limitation attorneys' fees, for abuse of the inspection and copying rights.
5. All financial records, meeting minutes, member information, resolutions, covenants, design review guidelines, policies, rules and annual reports, if any, shall be available to Owners for copying and inspection upon appropriate written request. Attorney-client confidential documents are not available for inspection and/or copying. Similarly, any other documents that are confidential or protected under any other constitutional, statutory or judicial provision and any documents the disclosure of which would constitute an unwarranted invasion of individual privacy, shall not be available for copying and/or inspection.

Article 6: Investment of Reserve Funds - C.R.S. §38-33.3-209.5(1)(b)(VI):

1. All reserve funds shall be invested conservatively in accordance with the provisions of C.R.S. §38-33.3-303(2.5) and C.R.S. §7-128-401 in a manner that the directors believe is in the best financial interests of the Association taking into consideration the existing and anticipated needs of the Association.

Article 7: Procedures for Adoption and Amendment of Policies, Procedures and Rules - C.R.S. §38-33.3-209.5(1)(b)(VII):

1. The Board of Directors of the Association shall have the authority to adopt and amend these rules and policies to the extent such adoption or amendment does not conflict with the Governing

Documents. Such adoption or amendment shall take place at any open Board of Directors' meeting and be documented in the minutes. In considering any adoption or amendment, the Board of Directors shall take into consideration the reasonableness, necessity and potential impacts of the proposed amendment or adoption.

Article 8: Procedures for Addressing Disputes Arising between the Association and Members - C.R.S. §38-33.3-209.5(1)(b)(VIII):

1. Article 4 of these Responsible Governance Policies shall apply, to the extent relevant, for addressing Association/Member disputes.

Article 9: Reserve Studies - C.R.S. §38-33.3-209.5(1)(b)(IX):

1. When the Association prepares a reserve study, internally or by an outside consultant, it shall be performed in compliance with subparagraph (IX) of C.R.S. §38-33.3-209.5(b).

OFFICER'S CERTIFICATION: The undersigned, being the _____ of the Association, certifies that the foregoing was adopted by the Board of Directors of the Association on _____ at an electronic meeting of the Board of Directors, and in witness thereof, the undersigned has subscribed his or her name.

The Greens at Fairway Park Association

By _____
_____, _____

