

ASPEN WILD CONDOMINIUM ASSOCIATION, INC.

GOVERNANCE POLICIES

Effective Upon Board Approval

TABLE OF CONTENTS

I. ADOPTION AND AMENDMENT PROCEDURE.....	4
II. COLLECTION POLICY AND PROCEDURE	4
A. Due Dates, Late Charges, Interest, Suspension of Rights.....	4
B. Return Check Charges	5
C. Attorney Fees	5
D. Application of Payments.....	5
E. Delegation of Authority to Sign Notice of Lien	6
F. Time Frames	6
G. Notices: Use of Certified Mail/Regular Mail.....	6
H. Referral of Delinquent Accounts to Attorneys	6
I. Notification to and Communication with Owners	7
J. Certificate of Status of Assessment/Estoppel Letter.....	7
K. Bankruptcies and Public Trust Foreclosures.....	7
L. Waivers	8
III. CONDUCT OF MEETINGS POLICY AND PROCEDURE	8
A. Annual Meetings / Special Member Meetings.....	8
B. Board Meetings	9
IV. CONFLICT OF INTEREST POLICY.....	11
A. Definitions	11
B. Disclosure	11
C. Participation and Voting	11
D. Quorum	11
E. Approval of Transaction	12
F. Standard of Review	12
G. Loans	12
V. COVENANT AND RULES ENFORCEMENT POLICIES AND PROCEDURES	12
A. Enforcement Procedure.....	12
B. Fine Schedule	14
C. Additional Enforcement Rights	14
D. Failure to Enforce	14
VI. DISPUTE RESOLUTION POLICIES AND PROCEDURES.....	15
A. Disputes Between Association and Owners Regarding Collection and Covenant and Rule Enforcement Matters	15
B. Disputes between Residents.....	15
C. Required Dispute Resolution Procedure	15
D. Discretionary Dispute Resolution Procedures	15

VII. INVESTMENT OF RESERVES POLICY	16
A. Standard of Care	16
B. Investment Vehicles	16
C. Investment Goals	16
D. Criteria	17
E. Review Authorization and Records	17
F. Insurance	17
VIII. RECORDS INSPECTION POLICY AND PROCEDURE	17
A. Association Records	17
B. Criteria for Inspection	18
C. Restrictions on Use of Membership List	18
D. Review of Records	18
E. Remedies	19
REQUEST FOR ACCESS TO ASSOCIATION RECORDS (form).....	20
AGREEMENT REGARDING USE OF THE MEMBERSHIP LIST (form)	21
IX RESERVE POLICY	22

ASPEN WILD CONDOMINIUM ASSOCIATION, INC.
GOVERNANCE POLICIES

ASPEN WILD Condominium Association is governed by its Declaration, Articles of Incorporation, Bylaws, rules and regulations (including but not limited to architectural rules and parking rules). The Colorado Common Interest Ownership Act also mandates that associations adopt governance policies. In compliance with the Colorado Common Interest Ownership Act, the Board of Directors hereby adopts the following policies and procedures.

I. ADOPTION AND AMENDMENT PROCEDURE

A. Definitions

1. A policy is a course or principle of action adopted to guide the Board of Directors.
 2. A procedure is an established or official way of conducting a course of action.
 3. A rule is defined as a regulation or requirement governing conduct or behavior.
- B. Policies and procedures govern the activities of the Board of Directors in the operation of the Association.
- C. Rules govern the use of property within the community and the behavior of residents (owners and tenants), and/or their guests while in the community.
- D. The Board of Directors shall have 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.
- E. The Board shall have authority to adopt and amend those policies and procedures that govern the Association's operation. Such policies and procedures shall be adopted at an open Board meeting and documented in the minutes or in a formal resolution.
- F. The Board may adopt rules and regulations. Such rules and regulations shall be adopted at an open Board meeting and documented in the minutes or in a formal resolution. Rules once adopted shall be sent to all owners and shall be effective on distribution.

II. COLLECTION POLICY AND PROCEDURE

A. Due Dates, Late Charges, Interest, Suspension of Rights

1. Dues Dates. Quarterly installments of the annual assessment are due and payable on the 1st day of each quarter. Payments shall be deemed received and shall be posted on the date the payment is received in the Association's office or

the Association's payment processor's office. Any installment not paid in full within 15 days of the invoice date shall be considered past due and delinquent.

2. Late Charges. A late charge in the amount of \$50.00 shall be imposed for any assessment, fine, or other charge not paid within 15 days of the due date, without further notice to the Owner. An additional late charge in the amount of \$50.00 shall be imposed for each subsequent month past due, without further notice to the Owner. Such late charges are a personal obligation of the Owner and a lien on the Unit.
 3. Interest. Interest at the rate of 18% per annum shall 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 15 days following the due date. Such interest is a personal obligation of the Owner and a lien on the Unit.
 4. Suspension of Rights. An Owner's voting rights shall be automatically suspended without notice if an assessment or other charge is delinquent.
- B. Return Check Charges
1. 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:
 - a. An amount equal to the face amount of the check, draft, or money order, and a return check charge of \$30.00 or an amount equal to the actual charges incurred by the Association levied by the party returning the check, whichever is greater; or
 - b. If notice has been sent as provided in C.R.S., section 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 shall be liable to the Association for collection for three times the face amount of the check but not less than \$100.00.
 2. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment or any other charge is delinquent.
 3. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.
- C. Attorney Fees. The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges

due the Association from a delinquent Owner pursuant to the terms of the Declaration and Colorado law. Attorney fees incurred by the Association shall be considered part of the assessments and shall be due and payable immediately when incurred, on demand.

- D. Application of Payments. All payments received on account of any Owner or the Owner's property maybe be applied first to post-judgment attorney's fees, costs, and expenses, then to costs and attorney's fees not reduced to a judgment, then to interest, then to late charges, then to return check charges, then to fines and other amounts levied pursuant to the Declaration, then to delinquent assessments, then to current assessments not reduced to judgments; and finally to amounts reduced to a judgment.

- E. Delegation of Authority to Sign Notice of Lien. The Board of Directors delegates authority to the Association's managing agent (or attorney) to sign and acknowledge the Notice of Assessment Lien. This delegation may be withdrawn at any time. In the event the delegation is withdrawn, the Board will send written notice to the Association's managing agent or attorney of the withdrawal.
- F. Time Frames. The following time frames shall be followed in the collection of quarterly installments of the annual assessment and for collection of other charges.

Due date	1st day of the quarter for quarterly installment of the annual assessment or 15 days after notice of the assessments, fines, and charges
Late Fee date	15 days after due date
Interest date	15 days after due date

The Association may file a lien on the Unit for any delinquent payment which shall attach 60 days after the date for the failure of payment of assessment. The Association's managing agent will pursue all collection efforts until the time that the Board determines that legal action is required, at which point the account will be turned over to the Association's attorney.

Once accounts are turned over to the Association's attorney, Owners shall make payments to the Association at the address of the Association's attorney. The Association's attorney shall consult with the Association regarding collection procedures and payment arrangements.

- G. Notices: Use of Certified Mail/Email/Regular Mail. In the event the Association shall cause a collection or demand letter or notice to be sent to a delinquent Owner by regular mail, the Association may also cause but shall not be required to send an additional copy of that letter or notice by email or certified mail. Other than routine notices or demands, all other notices shall be sent to Owners by either registered or certified mail, postage prepaid. For the purpose of this policy the first notice sent by the Association or manager to the Owner shall be deemed to be a routine notice.
- H. Referral of Delinquent Accounts to Attorneys. On referral of a delinquent account to the Association's attorneys, the attorneys shall take appropriate action to collect the accounts referred. After an account has been referred to the Association's attorney, the account shall remain with the attorney until the account is settled, has a zero balance, or is written off. The Association's attorney is authorized to take whatever action is necessary, in consultation with the President of the Board of Directors or other person designated by the Board, believed to be in the best interest of the Association, including but not limited to:

1. Filing a lien against the delinquent Owner's property to provide record notice of the Association's claim against the property, if not already filed;
2. Filing suit against the delinquent Owner for a money judgment. The purpose of obtaining a personal judgment against the Owner is to allow the Association to pursue remedies such as garnishment of the Owner's wages or bank account to collect judgment amounts;
3. Instituting a judicial action of foreclosure on the Association's lien. The Association may choose to 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;
4. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim; and
5. Filing a court action seeking appointment of a receiver. 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.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

On referral of any matter to the Association's attorney, the Association shall pay the Association's attorneys their usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly on receipt of the monthly invoice from the attorney.

- I. Notification to and Communication with Owners. This Collection Policy shall be made available to all Owners by the Association as required by Colorado law. After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner shall be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board of Directors shall 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. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.
- J. Certificate of Status of Assessment/Estoppel Letter. The Association shall furnish to an Owner, or such Owner's designee on written consent, 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 Unit. The statement shall be delivered within ten (10) calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested. The fee for the statement shall be \$25.00, which fee shall become an assessment. If the Owner's account has been turned over to the Association's attorney, such statement shall be handled through the Association's attorney and shall include any attorney fees incurred in providing the statement.

- K. Bankruptcies and Public Trust Foreclosures. On receipt of any notice of a bankruptcy filing by an Owner, or on receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit within the Association, the Association shall advise the Association's attorney of the same and turn the account over to the Association's attorney.

- L. Waivers. The Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association shall determine appropriate under the particular circumstances. Any such accommodation shall be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with the Collection Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense of payment of assessment fees or other charges, late charges, return check charges, attorney fees, and/or costs as described and imposed by the Collection Policy.

III. CONDUCT OF MEETINGS POLICY AND PROCEDURE

A. Annual Meetings/Special Member Meetings

1. Notice of a Membership meeting shall be sent to each Member not more than 30 days or less than five (5) days prior to the meeting. Physical notice of member notice on the property is not practicable. Notice shall be mailed to all members. If a Member requests notice by e-mail only and provides an e-mail address, notice will be provided by e-mail. Membership meetings shall also be posted on the Association's website, if applicable.
2. Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. Voting rights of delinquent Members are suspended and such Members shall not be given ballot. If an election or a vote is to be held, the Member will be given the appropriate number of ballots. A member must receive prior approval of the Board before bringing a non-member to the meeting (such as tenants, attorneys, etc)
 - a. Secret ballots are required for the following: any ballot for election of a contested position on the Board of Directors; and any ballot for other matters if so requested by at least twenty percent (20%) of the Members present in person or by proxy at the meeting.
 - b. If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.
3. The President of the Board of Directors, or other person directed by the Board, will call the meeting to order and conduct the meeting. The meeting shall proceed in the order set forth in the agenda.
4. 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.

5. Members must maintain decorum and refrain from addressing the Membership or Board until recognized by the chair. On being recognized, the Member must state his/her name.
6. Members may not interrupt anyone who validly has the floor, nor 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 shall 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 shall not audio- or video-record meetings without prior authorization of the Board. If a Member desires to audio- or video-record a meeting, the Member shall make such request prior to any recording; the Board will solicit the input of those Members present in person or by proxy at the meeting, and will authorize the recording if also approved by a majority of the Members present.
7. Members must obey all orders made by the meeting chair, including an order to step down. Any Member who refuses to follow the above rules will be asked to leave the meeting.
8. 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 processing. Such determination may be made following consultation with legal counsel.
9. Ballots shall be counted by a neutral third party or by a committee of volunteers who shall be Members selected or appointed at an open meeting by the President of the Board or other person presiding during that portion of the meeting. The committee of volunteers shall not be board members, and in case of a contested election for a Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without identifying information of Members participating in such vote.
10. Meetings are not required to be held in accordance with Robert's Rules of Order; however, the chair of the meeting may establish reasonable meeting rules.

B. Board Meetings

1. Notice of Board meetings shall be given to directors at least seven (7) days prior to the meeting. Notice shall be given to such director personally or by mail, e-mail, telephone, or facsimile transmission. In the case of a special meeting, a

minimum of three (3) notices shall be given. If a schedule is set for regular Board meetings, no notice beyond the schedule need be given.

2. All Board meetings shall be open to attendance by Members of the Association or their representatives, provided that the Board may go into executive session for any purpose allowed by law. Members may be excluded from executive session. Prior to going into executive session, the chair of the meeting shall announce the purpose for the executive session.
3. The meeting agenda shall be made reasonably available for examination by Members of the Association or their designated representatives prior to the meeting.
4. There shall be a Members' forum at the beginning of each regular Board meeting for a reasonable time, to be determined by a chair of the meeting. The rules for Member participation during the meetings are as follows:
 - a. Each Member who wishes to address the Board on an agenda item or on any other matter 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 shall provide for a reasonable number of Members to speak to each side of the issue. After other Members have had an opportunity to speak, then a Member who has already spoken may be given another opportunity, time permitting.
 - b. Each Member who wishes to speak must be recognized by the chair. Once recognized, the Member shall state his/her name.
 - c. All comments must be delivered in a businesslike and professional manner. Personal attacks or inflammatory comments will not be permitted.
 - d. A Member who wishes to speak about any matter on the agenda of the Board meeting shall do so only during the Members' forum.
 - e. To facilitate free and open discussion, Members shall not video- or audio-record meetings, unless the Member has received prior authorization from the Board.
 - f. The Board is not obligated to take immediate action on any item presented by a Member.
5. Following the conclusion of the Members' forum, the Board will proceed with the business portion of the meeting. Except as provided in Paragraph 6 below,

Members who attend or remain may not participate in deliberation or discussion during this portion of the Board meeting unless expressly authorized by a vote of the majority of a quorum of the Board.

6. Items shall be discussed pursuant to the meeting agenda, provided that items may be taken out of order if deemed advisable by the chair of the meeting. Items not on the agenda may be discussed once all other items have been concluded, time permitting. If items that are not on the agenda are to be voted on by the Board, Members shall be given a reasonable opportunity to comment prior to the vote, in accordance with the terms of Section B.4.a., above.
7. Any director may make a motion. All motions shall be recorded in the minutes. The minutes shall record the number of votes in favor, votes against, and abstentions. If any director requests his/her vote in favor or against or his/her abstention be recorded in the minutes, the minutes shall so reflect.
8. Board meetings are not required to be held in accordance with Robert's Rules of Order. However, the chair of the meeting may establish reasonable meeting rules.
9. The Board of Directors shall meet as required, but shall have a minimum of one Board meetings each year. Meetings may be conducted by telephonic contact in accordance with the terms of the Colorado Revised Nonprofit Corporation Code and the Bylaws.
10. In accordance with the terms of the Colorado Revised Nonprofit Corporation Code, the directors shall have the right to take any action in the absence of a meeting, which they could otherwise have taken at a meeting, by:
 - a. Obtaining the unanimous verbal vote of all directors, which vote shall be noted in the minutes of the next meeting of the Board and ratified at that time.
 - b. Obtaining the written vote of all directors with at least a majority of the directors approving the action, provided that those directors who vote against the action or abstain from voting have waived the right to demand that action not be taken without a meeting. The secretary shall file the written votes with the minutes of meetings of the Board of Directors.
 - c. Any action taken under subsections a. and b. shall have the same effect as though taken at a meeting of the directors.

Voting under this section may be taken by electronic mail.

IV. CONFLICT OF INTEREST POLICY

A. Definitions

1. “Conflicting interest transaction” means a contract, transaction, or other financial relationship: a) between the Association and a director; b) between the Association and a party related to a director; or c) between the Association and an entity in which a director of the Association is a director or an officer.
2. “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 a 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.
3. “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 an accountant employed by the Board.

- B. Disclosure. The director shall disclose the conflicting interest in the proposed transaction in an open meeting prior to the discussion and vote. Such disclosure shall be reflected in the minutes of the meeting or other written form.

If a Member believes that a director has a perceived undisclosed conflict of interest, the Member may notify any member of the Board of the perceived conflict of interest and the disinterested director shall review the perceived conflict to determine if it falls within the parameters of this policy.

- C. Participation and Voting. The director shall not take part in the discussion and shall leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, 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.

- D. Quorum. The interested director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.

- E. Approval of Transaction. The contract, Board decision, or other Board action must be approved by the majority of the disinterested Board members who are voting. No contract, Board decision, or other Board action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable to and/or in the best interests of the Association.

- F. Standard of Review. Notwithstanding anything to the contrary herein or in the Association’s conflict of interest policy and in accordance with the Colorado Revised Nonprofit Corporations Act, no conflicting interest transaction shall be set aside solely because an interested director is present at, participates in, or votes at a Board

or committee meeting that authorizes, approves, or ratifies the conflicting interest transaction if:

1. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board of Directors or the committee, and the Board or committee 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
2. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed 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
3. the conflicting interest transaction is fair to the Association.

- G. Loans. 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 any such loan shall be liable to the Association for the amount of such loan until repayment of the loan.

V. COVENANT AND RULES ENFORCEMENT POLICIES AND PROCEDURES

- A. Enforcement Procedure. The Board shall not impose fines unless and until the Association has sent or delivered written notice to the Owner as provided below. However, compliance with the notice and hearing procedure set forth below is not required for late charges on delinquent assessments.
1. Complaint. Any Owner within the community may send the Association a formal written complaint via either electronic mail or regular mail of a covenant or rule violation, with as much information as is known. Complaints may also be initiated by the Manager or any member of the Board of Directors. Complaints that cannot be independently verified by a Board member or the Association's management agent must be in writing. The Board shall have no obligation to consider oral complaints or anonymous complaints. The Board shall have the authority to determine whether a written complaint is justified before continuing with the Notice and Hearing Procedure.
 2. Notice of Alleged Violation. A Notice of Alleged Violation of any provisions of the Declaration, Bylaws, Rules and Regulations, or Resolutions shall be provided in writing to the applicable Owner as soon as reasonably practicable following the receipt of a complaint or discovery by the Board of such violation. The Board may also at its option provide a copy of such notice to any non-Owner violator. The notice shall describe the nature of the violation and the possible fine that may be imposed, the right to request a hearing before the

Board to contest the violation or possible fine, and may further state that the Board may seek to protect its rights as they are specified in the governing legal documents. Warning notices shall be deemed to be routine notices and shall be sent by regular mail first class or by e-mail. All other notices shall be delivered by certified or registered mail.

3. Request for Hearing. If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, or to discuss any mitigating circumstances, the Owner must request such hearing, in writing (email accepted), within 15 days of the date of the Notice of Alleged Violation. The request for hearing shall describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is not requested within the 15-day period, the Board shall determine if there was a violation based on the information available to it, and if so, assess a reasonable fine as set forth in the fine schedule, within a reasonable time after expiration of the 15-day period. The Board of Directors shall give written notice of said fine to the applicable Owner.
4. Board of Directors to Conduct Hearing. The Board shall hear and decide cases set for hearing pursuant to the procedures set forth herein. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings. The Board shall determine whether a violation exists and impose fines.
5. Conflicts. Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Association prior to the hearing in the case. If possible, or if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members 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.
6. Hearing. The Board or its managing agent on behalf of the Board shall inform the Owner of the scheduled time, place, and date of the requested hearing by certified or registered mail (and via email). The Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall establish a quorum, explain the rules, procedures, and guidelines by which the hearing shall be conducted, and shall introduce the case before the Board. The complaining parties and the Owner shall have the right but not the obligation to be in attendance at the hearing. Each party may present evidence, testimony, and witnesses. The decision of the Board at each hearing shall be based on the matters set forth in the Notice of Alleged Violation and Hearing, Request for Hearing, and such evidence as may be presented at the hearing.

Unless otherwise determined by the Board of Directors in accordance with the terms of the Colorado Common Interest Ownership Act, all hearings shall be open to attendance by all members of the Association. If a complaining party is unable to attend the Hearing, he or she may instead submit a letter to the Board explaining the basis of the complaint.

7. Decision. After all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its written findings and decision, and impose a reasonable fine, if applicable, within a reasonable period of days after the hearing. A decision either a finding for or against the Owner shall be by a majority vote of the Board of Directors or hearing body. The Board may also issue and record with the Clerk and Recorder a Notice of Violation. On notice of satisfactory compliance with the Association's governing documents, the Notice of Violation may be released by the Association issuing and recording a Release of Notice of Violation.

B. Fine Schedule.

1. The following fines are guidelines for violation of the provisions of the Declaration, Bylaws, Rules and Regulations, and Resolutions of the Association.

Nuisance category violations (e.g., littering, noise, failure to observe bicycle or dumpster rules, parking, pets, trash, or other similar items left in front of the Unit):

\$25.00 – \$100.00 per event or per day.

More egregious violations (e.g., failure to comply with Declaration, Bylaws, and remodeling or renovation rules and regulations):

\$100.00 – \$250.00 per event or per day

The Board shall establish the amount of the fine within the above ranges based on the nature and severity of the violation, as determined in the sole discretion of the Board.

In addition, on prior written notice, the Board reserves the right to levy fines in excess of the above referenced schedule, if the fines set forth in this schedule are not likely to provide effective incentives to induce compliance.

The Board may waive all or any portion of the fines, if in its reasonable discretion such waiver is appropriate under the circumstances. In addition, the Board may condition waiver of the entire fine or any portion thereof on the violator coming into compliance with the Declaration, Bylaws, or Rules.

2. All fines shall be due and payable on notice of the fine and will be late if not paid within 15 days of the date that the Owner is notified of the imposition of

the fine. Late fees and interest may be assessed in accordance with the Association's Collection Policy. All fines and late charges shall be considered an assessment and may be collected as set forth in the Declaration and Collection Policy. Fines shall be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

- C. Additional Enforcement Rights. The Association at any time may pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, Rules, or Resolutions without first following the preceding notice and hearing procedures, if the Board determines that such action is in the Association's best interests.

- D. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, Rules, and Resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

VI. DISPUTE RESOLUTION POLICIES AND PROCEDURES

- A. Disputes Between Association and Owners Regarding Collection and Covenant and Rule Enforcement Matters. Disputes between the Association and Unit Owners regarding assessment collection matters and covenant and rule enforcement matters are addressed in the Collection Policy and the Covenant and Rule Enforcement Policy.
- B. Disputes Between Residents. The Association encourages Owners or residents with disputes among themselves to resolve such disputes without court proceedings. The Association may take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.
- C. Required Dispute Resolution Procedure.
1. 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 of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the Association's property manager.
 2. On receiving a request for a hearing, the Board shall give notice of the date, time, and place of the hearing to the person requesting the hearing. The Board shall schedule the hearing for a date and time not less than ten (10) or more than thirty (30) days from the date of receipt of the request.
 3. The Owner in such request and at the hearing shall make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's grievance.
 4. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but shall not be required to do so.
- D. Discretionary Dispute Resolution Procedures. The procedures set forth below may be used in disputes between Owners and residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.
1. Negotiation. A request for dispute resolution by negotiation may be initiated by an Owner of the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less than ten (10) days or more than thirty (30) days of receipt of such 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.

2. 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 shall 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 the 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 shall be selected by a consensus of the parties involved within fifteen (15) 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.

VII. INVESTMENT OF RESERVES POLICY

- A. Standard of Care. With regard to investment of reserve funds, directors and officers shall be subject to the standard of care outlined below. For purposes of this policy only, “officers” 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.
 1. Each director and officer shall perform its duties regarding investment of reserves in good faith, in a manner the director or officer reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of the duties, a director or officer shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by a) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; b) legal counsel, professional property manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within such person’s professional or expert competence; or c) a committee of the Association on which the director or officer does not serve if the director reasonably believes the committee merits confidence.
 2. A director or officer shall not be considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer shall not be 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 such action or

omission the director or officer performs the duties in compliance with this policy.

- B. Investment Vehicles. 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 pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds. The Board of Directors may but shall not be obligated to require that investments must be insured by FDIC, SIPC, or comparable insurance.
- C. Investment Goals. The reserve funds shall be invested to achieve the following goals, in descending order of importance:
1. Promote and ensure the preservation of principal;
 2. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
 3. Mitigate the effects of interest rate volatility on reserve assets;
 4. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;
 5. Minimize investment costs.
- D. Criteria. The Board may consider the following circumstances in investing reserve funds:
1. General economic conditions;
 2. Possible effect of inflation or deflation;
 3. Expected tax consequences;
 4. Role that each investment plays in the overall investment portfolio;
 5. Other resources of the Association.
- E. Review Authorization and Records.
1. The Board of Directors shall establish the amount, if any, to be transferred to reserve funds on an annual basis.
 2. All accounts, instruments, and other documentation of such investments shall be subject to the approval of and may from time to time be amended by the Board of Directors as appropriate, and shall be reviewed at least once per year.
 3. The President, Treasurer, or Manager, if authorized by the Board, shall be authorized and empowered to purchase, invest in, acquire, sell, or assign any and all types and kinds of investments meeting the goals in paragraph VII.C, above, and to enter into agreements, contracts, and arrangements with respect to such security transactions and to execute, sign, or endorse agreements on behalf

of the Association. To withdraw or transfer funds, the signatures of two of the aforementioned persons shall be required.

4. The Association's manager or other person designated by the Board shall maintain monthly statements, including detailed accounting of current values, income, and all transactions.
- F. Insurance. The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds to the extent such insurance is reasonably available.

VIII. RECORDS INSPECTION POLICY AND PROCEDURE

(Revised per HB-1237 effective Jan. 1, 2013)

- A. Association Records. The Association shall maintain at a minimum the following records:
1. Financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act; for the past three years
 2. Minutes of membership meetings; minutes of Board meetings; a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting; a record of all actions taken by a committee of the Board in place of the Board or on behalf of the Association; and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board;
 3. A record of Members in a form that permits preparation of a list of names and addresses of all Members showing the number of votes each Member is entitled to vote ("Membership List");
 4. The Articles of Incorporation, Declaration, Covenants, Bylaws, rules and regulations, and resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members;
 5. Written communications within the past three years to Members generally as Members;
 6. A list of the names, business or home addresses and email addresses of its current directors and officers;
 7. The most current Annual Report filed with the Secretary of State.

8. All financial audits or reviews conducted pursuant to the Colorado Common Interest Ownership Act during the immediate preceding three years.
9. Ballots, proxies and other records relating to voting by owners for one year after the election, action or vote.
10. Tax returns for the past seven years.
11. Detailed records of receipts and expenditures affecting the operation and administration of the association.
12. Records of all construction defects and/or insurance claims and amounts received pursuant to the settlement of these claims.
13. The Association's most recent Reserve Study.
14. Current written contracts to which the association is a party and contracts for work performed in the last two years.

B. Criteria for Inspection. Records shall 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 on notice of ten (10) business days or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request, to the extent that:

1. the request is made in good faith;
2. the request describes with reasonable particularity the records sought and the purpose of the request; and
3. the records are relevant to the purpose of the request.

All requests shall be submitted on the form attached to this policy.

C. Restrictions on Use of Membership List. A Membership List may not be

1. 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;
2. used for any commercial purpose;
3. sold to or purchased by any person; or
4. used for any other purpose prohibited by law.

Any Member requesting a Membership List shall be required to sign the agreement attached to this policy indicating that he/she will not use the list for the purposes stated above.

D. Review of Records.

1. On receipt of a request, the Association shall make an appointment with the Owner at a time convenient to both parties (subject to the requirements of paragraph 2 above), to conduct the inspection. Unless otherwise agreed, all records shall be inspected at the office of the Association's managing agent. All appointments for inspection will be limited to two hours. If additional time is needed, another appointment will be made within two weeks, at a time convenient to both parties.
2. At the discretion of the Board of Directors or Director, records will be inspected only in the presence of a Board member, management company employee, or other person designated by the Board.
3. During inspection, an Owner may designate the pages to be copied, with a paperclip, post-it note, or other means provided by the Association. Copies will be made at a cost based on the standard schedule of fees charged by the Association's managing agent, such charges may include "reasonable" additional charges for labor and materials associated with retrieval, assembling, producing records for inspection and copying the records. The Owner shall be responsible for paying the total copying cost prior to receiving the copies.
4. Records may not be removed from the office in which they are inspected without the express written consent of the Board.
5. The following records will not be available for inspection without the express written consent of the Board:
 - a. Documents which are privileged or confidential between attorney and client or which concern pending or imminent court proceedings;
 - b. Documents related to investigative proceedings concerning possible or actual criminal misconduct;
 - c. Documents which if disclosed would constitute an unwarranted invasion of individual privacy; (records relating to or concerning individual units, other than those of the requesting owner).
 - d. Documents which the Association is prohibited from disclosing to a third party as a matter of law; and
 - e. Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board.

f. Records of an executive session of the Association's Board of Directors.

6. The following records must be withheld from production:

- a. Personnel, salary or medical records relating to specific individuals.
- b. Personal identification and account information of member, including account information, telephone numbers, electronic mail addresses, driver's license number and social security numbers.

E. 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 purpose other than that stated in the Owner's request.

ASPEN WILD CONDOMINIUM ASSOCIATION, INC.
REQUEST FOR ACCESS TO ASSOCIATION RECORDS

Member name: _____ Date: _____

Address: _____

Telephone # _____

Pursuant to state law and the Association's Records Inspection Policy, I hereby request that Aspen Wild Condominium Association, Inc., provide access to the records of the Association. I understand that on receipt of this request, the Association will set an appointment with me during regular business hours.

1. The records that I wish to review are (attach a separate piece of paper, if necessary):

- A. _____
- B. _____
- C. _____
- D. _____

2. I certify that my request to review the records of the Association, and that this request is not for commercial purposes or my personal financial gain. Specifically, my purpose for wanting to review the records of the Association is as follows:

3. I acknowledge and accept the Association's Records Inspection Policy. I acknowledge and accept that the records of the Association 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 to me. I agree to pay any "reasonable" costs associated with copying these documents. In the event the records provided to me by the Association are used for any 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: _____

AGREEMENT REGARDING USE OF THE MEMBERSHIP LIST FOR
ASPEN WILD CONDOMINIUM ASSOCIATION, INC.

Member name: _____ Date: _____

Address: _____

Telephone # _____

I have requested a copy of the Membership List for Aspen Wild Condominium Association, Inc.

The list shall be used only for the following purpose(s):

I understand that under the terms of Colorado law, the Membership List or voting list or any portion thereof may not be obtained or used for any purpose unrelated to my interests as a Member of the Association. I further understand and agree that without limiting the generality of the foregoing, the Membership List or any portion thereof may not be:

- A. 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;
- B. used for any commercial purpose;
- C. sold to or purchased by any person; or
- D. used for any other purpose prohibited by law.

In the event the list is used for any 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.

Understood and agreed to this _____ day of _____, 20_____, by

Member signature _____ Date: _____

IX- RESERVE POLICY

In accordance with Colorado House Bill 09-1359 which requires all Colorado Common Interest Communities to adopt a ninth Governance Policy dealing with Capital Reserves, Aspen Wild Condominium adopts the following Reserve Policy:

- 1- The Association will implement a Reserve Study during CY 2014 which will be updated every three years. This policy will be based on a full physical inspection of the property and then, based on an estimate of replacement cost, adjusted to determine financial needs for the future

- 2- Funding Policies- The Association intends to utilize a multi-level funding policy:
 - a- Owners will be assessed a minimum \$11,000 annually as part of the Capital Reserve budget, until a reasonable level of Capital Reserves has been achieved (adequate level to be determined by financial needs identified in the Reserve Study). The costs to be shared equally among all owners.

 - b- Maintain a separate, interest bearing, Capital Reserve Trust Account.

 - c- Transfer net operating income remaining at the end of the fiscal year to the Capital Reserve Trust Account, as determined by the Board of Managers.

 - d- If a major capital replacement occurs before the level of Capital Reserves is sufficient to pay for the replacement, then the Association will institute a special assessment to, at a minimum, cover any outstanding costs of the replacement

IN WITNESS WHEREOF, the undersigned certify these Governance Policies were adopted by resolution of the Board of Directors of the Association on this _____ day of _____, 20____.

Aspen Wild Condominium Association, Inc.,
A Colorado Nonprofit Corporation.

By: _____
Its President

ATTEST:

By: _____