

# Gold Point Condominiums

## Responsible Governance Policies

### 1) Collection of Unpaid Assessments

Pursuant to Declaration section 24(a), unpaid assessments shall accrue interest at a rate established by the Board, not to exceed eighteen percent (18%) per annum. Unpaid assessments shall accrue interest up to the rate of eighteen percent (18%) per annum, as set forth herein.

- A. The Vacation Unit Assessment (“Assessment”) shall be due semi-annually on August 1 and February 1. The Association shall bill each Vacation Owner (“Owner”) semi-annually; however, a Vacation Owner’s failure to receive a bill shall not eliminate a Vacation Owner’s responsibility to pay such Assessment due.
- B. After any Assessment becomes thirty days past due, management shall issue written notice to the Owner, setting forth the amounts due to date, including interest at the rate of eighteen percent (18%) per annum (1.5% per month), and demanding payment within thirty days.
- C. Failure to pay the Assessment or an installment within thirty (30) days of its due date shall result in the addition of a late fee in the amount of up to five percent (5%) of the unpaid Assessment.
- D. Unpaid Assessments and all unpaid installments and late fees shall bear interest at the rate of eighteen percent (18%) per annum (1.5% per month) until the unpaid Assessment(s), installment(s), late fees and accrued and unpaid interest are paid. All costs of collection, not to exceed 35% of the amount to be collected, will be added on to all accounts sent to collections and these fees along with any associated legal fees will be the responsibility of the Owner.
- E. If the past due amount, with interest, is not paid within ninety days of the date originally due, then management shall pursue collection procedures, consisting of a legal action for foreclosure on the Vacation Unit, to collect the outstanding dues, plus interest at the rate of eighteen percent (18%) per annum, plus legal fees and costs incurred.

### 2) Handling board member conflicts of interest

- A. General Duty of the Board of Managers. The Board of Managers shall act at all times in good faith and in the best interest of the Association. The Board shall comply with all lawful provisions of the governing documents of the Association (the Declaration, Articles, Bylaws, Rules, Regulations and Policies.)
- B. Definition of Conflicts of Interest. A contract, transaction, or other financial relationship between the Association and a Manager of the Board, or between the Association and a party related to a Manager of the Board, or between the Association and an entity in which a Manager of the Board is an officer or director or has a financial interest. For purposes of this section, a “party related to a Manager of the Board” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Manager of the Board or a party related to a Manager of the Board has a beneficial interest, or an entity in which any party related to a Manager of the Board is an officer, director, or has a financial interest.

Conflict of Interest Disclosure Requirements. (1) If any contract decision or other action taken by or on behalf of the Board of Managers would financially benefit any member of the Board of Managers or any person who is a parent, grandparent, spouse, child or sibling of a Manager of the Board or a parent or spouse of any persons, that Manager of the Board shall declare a conflict of interest for that issue. The Manager of the Board shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on that issue. (2) Any contract entered into in violation of this section is void and unenforceable.

- C. Failure to Disclose Conflict. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member of the Association or by the Association, solely because the conflicting interest transaction involves a Director of the Association or a party related to a Director or an entity in which a Director is present at or participates in the meeting of the Executive Board that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if:
- a. The material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Managers, and the Board of Managers in good faith authorizes, approves, ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Managers, even though the disinterested Managers are less than a quorum; or
  - b. The material facts as to the Manager's relationship or interest and as to the conflicting interest transaction are disclosed or are known the Members of the Association entitled to vote thereon; or
  - c. The conflicting interest transaction is fair as to the Association.

### **3) Conduct of Meetings**

Section 3.1 Annual Meeting. The first annual meeting of the Unit Owners shall be held within one (1) year after the date of the adoption of the Bylaws. Meetings of the Unit Owners, as the members of the Association, shall be held at least once each year.

Section 3.2 Special meetings. Special Meetings of the Unit Owners may be called by the President of the Association, by a majority of the Board of Managers, or by Unit Owners having twenty percent (20%) of the votes in the Association.

Section 3.3 Notice of Meetings. Written notice given in accordance with the Declaration and stating the place, day, and hour of each meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days in advance of any meeting of the Unit Owners, the Secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address (as provided in the Declaration) of each Unit or to any other mailing address designated in writing by the Unit Owner.

1. (a) The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Managers.

(b) Shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices that may be given pursuant to paragraph 3.3 of this section.

2. (a) All regular and special meetings of the Association's Executive Board, or any committee thereof, shall be open to attendance by all members of the Association or their representatives. Agendas for meetings of the Executive Board shall be made reasonably available for examination by all members of the Association or their representatives.

(b) The Association is encouraged to provide all notices and agendas required by this article in electronic form, by posting on a web site or otherwise, in addition to printed form. If such electronic means are available, the Association shall provide notice of all regular and special meetings by electronic mail to all Unit Owners who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four hours before meeting.

3. (a) Notwithstanding any provision in the Declaration, Bylaws, or other documents to the contrary, all meetings of the Association and the Board of Managers 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, and all Unit Owners or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that for regular and special meetings of the Board, Unit Owners who are not Board Members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board.

(b) The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Unit Owner or a Unit Owner's designated representative to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue.

4. Upon final resolution, any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may disclose information about that matter in an open meeting except for information that is required to remain confidential by the terms of a settlement agreement or judgment.

Executive Board Code of Ethics. In addition to the above, each Manager of the Board and as a whole shall adhere to the following Code of Ethics:

1. No contributions will be made to any political parties or political candidates by the Association.
2. No Board Member shall solicit or accept, directly or indirectly, any gifts gratuity, favor, entertainment, loan or other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
3. No Director shall accept a gift of favor made with the intent of influencing a decision or action or on any official matter.
4. No Director shall receive any compensation from the Association for acting as a volunteer.

5. No Director shall willingly misrepresent facts to the members of the Association for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Executive Board to advance a personal cause.
6. No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communication with the Association contracts shall go through the Board President or be in accordance with the Management Agreement.
7. No Director shall harass, threaten, or attempt through any means to control or instill fear in any Owner, Director, or agent of the Association.
8. No promise of anything not approved by the Board of Managers as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
9. Any Director convicted of a felony shall voluntarily resign from his/her position.
10. Language and decorum at the Board of Managers meetings will be kept professional. Personal attacks against Owners, residents, managers, service providers and/or Directors are prohibited and are not consistent with the best interest of the community.
11. No loans shall be made by a corporation to its Directors or officers. Any Director or officer or who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until repayment thereof.

#### **4) Enforcement of Covenants and Rules/Complaints**

1. Scope. All Unit Owners, by taking title to their Units, shall be deemed to understand and have accepted their obligations to pay all monetary obligations, including, but not limited to, all general and special Assessments. Therefore, the procedures below shall not apply to any such monetary obligations, and, specifically, the Association shall not be required to provide any written or other notice to any Unit Owner, or to conduct a Hearing (as defined below), regarding such obligations.
  - a. Whenever the Board has reason to believe that any Unit Owner has violated any nonmonetary covenant, restriction or other obligation under any of the Governing Documents, the Board will direct that a Notice of Violation be sent to the Unit Owner, at the Unit Owner's address as it appears in the records of the Association.
  - b. The Notice of Violation shall state the time and place at which a hearing will be held and shall describe the violations to be addressed. At the hearing, the Board will address the nature and details of the violation with the Unit Owner and the Unit Owner will be provided an opportunity to rebut, explain, or present any evidence in his or her defense. If the Board and the Unit Owner are able to reach an agreement at, or following, the hearing, as to how best to resolve the alleged violation, that agreement shall be reduced to writing and signed by the Unit Owner and on behalf of the Board.
  - c. If the Board and the Unit Owner are unable to reach an agreement, then the Board may, in its sole discretion, thereafter pursue any legal proceedings or take any other action deemed necessary.

2. Warnings and Fines.
  - a. The Board of Managers, the Managing Agent, or their designees shall have the right to issue warnings, to assess fines of up to Two Hundred Fifty and no/100 Dollars (\$250.00) per infraction, and to evict Vacation Owners and their guests for violation of the Rules and Regulations.
  - b. In addition, Vacation Owners and their guests will be responsible for all damages to the Vacation Unit, common elements, and their furnishings, or to other areas of the Project as a result of their actions. The Association shall be entitled to recover reasonable costs and attorneys' fees in the event it prevails in an action brought against a Vacation Owner to enforce the Rules and Regulations.
3. Owner Complaints. Complaints against an alleged violator lodged by another Owner must be in writing and submitted to the Board of Managers or the Managing Agent. The complaint must include the nature of the violation and any pertinent facts supporting the complaint. The complaint must also contain the printed name and signature of the person lodging the complaint. It is the general policy of the Association to maintain confidentiality of complaints, if possible. However, if a complaint becomes the subject of a hearing or litigation, or for any other reason, becomes a general public issue, confidentiality is not guaranteed.

#### **5) Inspection and copying of association records by unit owners**

- 1) Permanent Records. The Association shall permanently retain the following records as required by Colorado law:
  - a. The minutes of all Board of Managers and Owner meetings.
  - b. All actions taken by the Board of Managers or the Owners by written ballot in lieu of a meeting.
  - c. All actions taken by a committee on behalf of the Board of Managers instead of the Board acting on behalf of the Association.
  - d. All waivers of the notice requirements for Owners meetings, Board of Managers meetings, or committee meetings.
  - e. Unit Owners in a form that permits preparation of a list of the names and addresses of all Unit Owners, showing the number of votes each Unit Owner is entitled to vote.
  - f. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
    - i. All financial and other records shall be made reasonably available for examination and copying by any Unit Owner and such Owner's authorized agents, if any.
- 2) Inspection and Copying of Association Records. An Owner or authorized agent is entitled to inspect and copy records of receipts and expenditures affecting common elements, and other books records and papers of the Association, including the Declaration, the Articles and any Rules and Regulations of the Association subject to the exclusions, conditions and requirements set forth below:
  - a. Shall be reasonably available for inspection by the Unit Owners and any Eligible First Mortgagee at the principle office of the Association.
    - i. As used in this section, "reasonably available" means available during normal business hours, upon notice of five business days or less, to the extent that
      1. The request is made in good faith and for a proper purpose;

2. The request describes with a reasonable particularity the records sought and the purpose of the request; and the records are relevant to the purpose of the request.
- ii. The inspection and/or copying of the records of the Association shall be at the Owner's expense for a reasonable cost; the Association may charge a reasonable fee, not to exceed Twenty-Five (25) cents per page, for copies of Association records.
- b. The Board of Managers may impose restrictions on the commercial or any other use of any list of Unit Owners that is not directly related to Association business.

## 6) Investment of Reserve funds

A. Purpose of Reserve Fund. The reserve fund is for the exclusive benefit of the Association to meet unforeseen expenditures or to purchase any additional equipment or services or for future capital repairs, replacements and improvements to the common elements of the Association, all as determined by the Board of Managers.

B. Segregation of Reserve Funds. Any reserve funds shall be held in a segregated account(s) and shall not be commingled with the general operating funds of the Association. All investments will be purchased in the name of the Association.

C. Investment Goals. The Board of Managers shall use its best judgment to invest the funds held in reserve fund account(s) to meet the following goals: promote and assure the preservation of capital, structure maturities to ensure that assets will be liquid for anticipated needs, achieve long-term investment performance appropriate for the asset classes selected.

D. Limitation on Investment.

1. The following investments should be considered to be the primary types of investment instruments authorized under the investment policy:
  - Interest bearing liquid bank accounts;
  - Money market mutual funds investing only in U.S. Treasury and Treasury-backed securities;
  - Certificate of deposit in FDIC –insured financial institution, with no more than \$250,000 in any such institution unless additional deposit insurance is provided by the bank, and purchased with the intent to hold to maturity. Such certificates will not be purchased on the secondary market and hence discount or premium (which is not insured by the FDIC) will not arise; and
  - U.S. Treasury bills, notes or bonds purchased with the intent to hold to maturity.
2. Reserve funds may NOT be invested in equity securities, annuities, options, future contracts, precious metals, foreign currencies or other similar investments.

E. Reserve Study. In order to determine future funding requirement, the Board of Managers does retain outside professionals to assist in preparing a reserve study of the common elements of the Association. A reserve study estimates the remaining useful life

of the various common elements and projects the future costs and timing for maintenance, repair, and replacement of the same.

## **7) The adoption and amendment of policies procedures and rules**

Amendments to these Responsible Governance Policies adopted by a majority vote of the Board at a duly convened meeting, or by unanimous written consent of the Board, subject to any applicable requirements in Section 38-33, 3-209.5(1)(b)(VII) of the Act.

- A. Authority. The Board of Managers has the authority, in its discretion, to make, establish and promulgate policies, procedures and rules ("Rules"), and to amend, repeal and re-enact such Rules, as the Board deems proper, necessary or desirable, covering any and all aspects of the Board's functions, including the use and occupancy of the Association Property and/or the Common Elements, provided however, that a Rule may not be inconsistent with or contrary to the Declaration, Articles of Incorporation and Bylaws of the Association.
- B. Procedure for Adoption.
  - 1. Drafting Considerations. The Board of Directors shall consider the following in adopting a new Rule:
    - a. Whether the Governing Documents and Colorado law grant the Board of Managers the Authority to adopt the Rule.
    - b. The need for the Rule based upon the scope of importance of issue and whether the Governing Documents adequately address the issue;
    - c. The immediate and long-term impact and implications of the Rule.
  - 2. Adoption. A majority of Directors present at any regular meeting or at any special meeting of the Board of Managers may adopt any Rule if at least five days notice is given to the Owners of the Board's intention to adopt such Rule, including its effective date, shall be provided to all Owners by any reasonable method as determined by the Board.
- C. Procedure for Amendment. A majority of the Directors present at any regular meeting or at any special meeting of the Board of Managers may amend any Rule if at least five days notice is given to the Owners of the Board's intention to amend such Rule at such meeting; provided, however, that no amendment to a Rule shall be inconsistent with the Articles, Declaration or the requirements of Colorado law. The Owners shall have a right to comment upon the proposed Rule at the meeting. Upon amendment of a Rule, the Rule or notice of such Rule including the effective date shall be provided to all Owners by any reasonable method as determined by the Board.
- D. Inspection of Rules. Each Owner shall be entitled to examine the Rules at any time during normal working hours at the principle office of the Association.

## **8) Addressing disputes arising between the association and owners**

- 1. Scope. This Policy addresses disputes between the Association and Owners that are not addressed specifically by other Policies (collection of unpaid assessments, enforcement of covenant Rules).
- 2. Complaints against the Association by any Owner shall be made in writing and delivered in person or by first class mail, postage prepaid, to

the President of the Board of Managers or the managing agent at the Association's primary address. The complaint must include the nature of the complaint and any pertinent facts supporting the complaint. The complaint must also contain the printed name and signature of the Owner lodging the complaint.

3. The Board of Managers shall act in good faith in promptly investigating and responding to Owner complaints concerning the actions (or omissions) of the Association.
4. The Board of Managers shall provide an initial written response to the aggrieved Owner within 30 days of receiving the written complaint.
5. The parties are encouraged to meet in person (either informally or at a meeting of the Board of Managers, if deemed appropriate by the Board of Managers in its discretion) to attempt to negotiate a resolution of the disputed matter.
6. If negotiation between the parties fails to resolve the dispute, the matter may be submitted to mediation if appropriate, by either party to the controversy prior to the commencement of any legal proceeding, as provided by the Act.
7. If mediation is not successful in resolving the dispute between the parties, the parties may submit the controversy to binding arbitration under the "Uniform Arbitration Act," if all parties to the controversy agree.

#### **9) General Provisions**

1. Definitions. Unless otherwise defined in these Policies, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
2. Supplement to Law. The Policies set forth in this Resolution shall be in addition to the terms and provisions of the Declaration, Articles of Incorporation and Bylaws and applicable Colorado law.
3. Deviations. The Board of Directors may deviate from the Policies set forth in this Resolution if in its sole discretion such deviation is deemed reasonable under the circumstances.
4. Amendment. These Policies may be amended from time to time by the Board of Directors as set forth in the Policy VII above.