

**Silver Shekel Owners Association, Inc.**  
**Amended Responsible Governance Policies**

**I. Collection Policy**

1. Due Dates. The annual dues are payable by March 31 of each calendar year. Special assessments or other charges may be assessed or made from time to time by the Association in accordance with the Declaration and are due and payable as specified by the Board. Annual dues, Special assessments or other charges not paid to the Association by the due date shall be considered past due and delinquent.
  
2. Late Charges and Interest Charges. The Association shall be entitled to impose a late charge of five dollars (\$5.00) on each annual dues assessment not paid by the due date. In addition, the Association shall be entitled to charge interest at a rate of up to twenty-one percent (21%) per annum from the due date unless a lower rate is specified in C.R.S. § 38-33.3 if the annual dues assessment, any special assessment or other charge is not paid by the due date. All such charges shall be due and payable immediately, without notice, in the manner provided for payment of assessments.
  
3. Offer of Payment Plan. Subject to the following requirements and conditions, the Association shall offer a payment plan to any delinquent owner whose delinquency is at least \$500 and make a good faith effort to coordinate a payment plan with the owner.
  - a. The payment plan must allow the delinquent owner the right to pay off the delinquency in monthly payments of at least twenty-five dollars (\$25.00) or the balance due, whichever is less over a period of at least eighteen (18) months;
  - b. No payment plan need be offered if the owner does not occupy the lot and has acquired the lot as a result of:
    - i a default of a security interest encumbering the lot; or
    - ii. foreclosure of the Association's lien.

- c. The Association is not required to offer a payment plan or negotiate such a plan with an owner who has previously entered into a payment plan with the Association.
  - d. The owner's failure to pay at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due constitutes a failure to comply with the terms of the payment plan.
  - e. The Association may pursue legal action against the owner if the owner fails to comply with the terms of the payment plan.
4. Notice of Delinquency. After an installment of an assessment or other charge owed to the Association becomes ninety (90) days past due, and before the Association turns the delinquent account over to a collection agency or refers it to the Association's attorneys for legal action, the Association shall cause a Notice of Delinquency to be sent to the owner who is delinquent in payment by Certified Mail, Return Receipt Requested and physically post a copy of the Notice of Delinquency at the unit owner's unit. In addition, the Association shall contact the unit owner by one of the following means: 1) first class mail, 2) text message to a cellular number provided to the Association by the unit owner, or 3) e-mail to an e-mail address provided to the Association by the unit owner. The Notice of Delinquency shall specify the following:
- a. the total amount due, with an accounting of how the amount was determined;
  - b. whether an opportunity to enter into a payment plan exists under the requirements and conditions set forth in Paragraph 3 above, and the instructions for contacting the Association or its manager to enter into such a payment plan;
  - c. the name and contact information for the person the owner may contact to request a copy of the owner's ledger in order to verify the amount owed;
  - d. that action is required to cure the delinquency and the specific action required to cure the default; and
  - e. that failure to cure the delinquency within thirty (30) days may result in the delinquent account being turned over to a collection agency or the

Association's attorney, acceleration of the balance of the assessment or the installments of the assessment for the then-current fiscal year, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's lot, or other remedies available under Colorado law. NOTE: A delinquent account can only be referred to a collection agency or attorney if a majority of the Board of Directors votes to refer the matter in a recorded vote.

The Notice of Delinquency shall be mailed to the owner at the address the Association has on file unless the owner has given notice, in writing, of an alternate address. The Association shall on a monthly basis by first-class mail and, if the Association has the relevant e-mail address, by e-mail send to each unit owner who has any outstanding balance owed the Association an itemized list of all assessments, fines, fees, and charges that the unit owner owes to the Association.

5. Liens. A statutory lien exists for any delinquent balance owed to the Association by an owner. The Association, through its attorney, may record a notice of assessment lien against the property of the delinquent owner. The lien amount will include fees, charges, late charges, attorneys' fees, fines, and interest owed by the delinquent owner.
6. Return Check Charges. The Association will assess a twenty-five dollar (\$25) fee against an owner in the event any check or other instrument is not honored or is returned by the bank for any reason whatsoever, including, but not limited to, insufficient funds.
7. Attorneys' Fees on Delinquent Accounts. The Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner.
8. Application of Payments Made to the Association. The Association shall apply all payments received on account of any owner first to payment of unpaid assessments with any remaining amount of the payment to the fines, fees, or other charges owed.
9. Referral of Delinquent Accounts to Attorneys. After the deadline stated in the Notice of Delinquency has expired, the Association may, but shall not be required to, refer delinquent accounts to its attorney for collection. Upon referral to the

attorney, the attorney will take all appropriate action to collect the accounts referred. After an account has been referred to the attorney, the account shall remain with the attorney until the account is settled, has a zero balance, or is written off. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. After consultation with the Board of Directors or the Association's managing agent, the attorney shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent owner's property.

10. Foreclosure of Lien. Notwithstanding any provision of this policy to the contrary, the Association may only foreclose the lien if:
  - a. The balance of the assessments and charges secured by the lien equals or exceeds five hundred dollars (\$500.00) worth of dues assessments based on the periodic budget adopted by the Association; and
  - b. The Board of Directors has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific owner's lot on an individual basis.
11. Waivers. Nothing in this policy shall require the Association to take specific action(s) other than to notify owners of the adoption of this policy. The failure to provide notice to an owner in accordance with the provisions of this policy, with the exception of the offer of a payment plan, if applicable, shall not constitute a defense or condition precedent to any action to collect the debt. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the Association's files. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances except as may be prohibited by Colorado law.
12. Order of Remedies. Subject to the restrictions contained in this policy concerning foreclosure, the Association may pursue any actions or remedies, including, but not limited to, actions for personal judgment, foreclosure, or receivership, to collect amounts owed in any order or contemporaneously, and cumulatively, and

in the case of a foreclosure by the holder of another security interest in the owner's property, may immediately proceed to file actions for personal judgment, foreclosure, or receivership without the necessity of following the procedures set forth above.

## II. Board Member Conflicts of Interest

1. General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of the properties in the community. All members of the Board shall exercise their powers and duties in good faith and in the best interest of, and with utmost loyalty to, the Association. All members of the Board shall avoid conflicts of interest and conflicting interest transactions in their dealings with and representation of the Association, and shall avoid the appearance of impropriety in those dealings.
2. Definitions.
  - a. "Conflict of interest" means circumstances under which a Board member may be unduly influenced in his or her decision-making process in favor of or against any particular action.
  - b. "Conflicting interest transaction" means any contract, transaction, or other financial relationship between the Association and a Board member, or between the Association and a party related to a Board member, or between the Association and an entity in which a Board member of the Association is a director or officer or has a financial interest.
  - c. "Party related to a Board member" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board member or party related to a Board member has a beneficial interest, or an entity in which a party related to a Board member is a director, officer, or has a financial interest.
  - d. Unless otherwise defined in this Policy, capitalized terms herein shall have the same meaning as in the Declaration or the Association's Articles of Incorporation or Bylaws.

3. No Loans to Board Members. No loans shall be made by the Association to Board members or officers. Any Board member or officer who assents to or participates in the making of such a loan shall be personally liable to the Association for the amount of the loan until repayment thereof.
4. Disclosure of Conflict of Interest or Conflicting Interest Transaction. At the commencement of any meeting of the Board, the Board shall afford an opportunity to all Board members to declare whether they have any conflicts of interest in any matter affecting the Association that has not previously been disclosed. In advance of entering into a conflicting interest transaction, the interested Board member shall declare at an open meeting of the Board that a contract, transaction, or other financial relationship being contemplated or discussed by the Board may constitute a conflicting interest transaction with such Board member, and the interested Board member shall describe in detail all of the particular facts of the conflicting interest transaction and the conflict of interest giving rise thereto. If a Board member other than the interested Board member, in good faith, believes that the interested Board member has a conflict of interest, or that the contract, transaction, or other financial relationship being contemplated or discussed might constitute a conflicting interest transaction, then such other Board member may disclose the facts upon which such belief is formed, and the remainder of the Board, not including the interested Board member, shall make a good faith determination as to whether a conflict of interest or conflicting interest transaction exists.
5. Action Upon Disclosure. After the interested Board member makes such a declaration, or the remainder of the Board determines that a conflict of interest or conflicting interest transaction exists, the interested Board member may be counted as present for purposes of establishing a quorum of the Board, but the interested Board member shall not participate in a discussion of the matter giving rise to the conflict of interest or conflicting interest transaction, nor shall the interested Board member vote on the issue giving rise to the conflict of interest or conflicting interest transaction.
6. Validity of Action. 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 or by or in the right of the Association, solely because (a) the conflicting interest transaction involves a Board member or a party related to a Board member or an entity in which the Board member is a director or officer

or has a financial interest; or (b) the Board member is present at or participates in the meeting of the Association's Board or of a committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction; or (c) the Board member'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 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 are less than a quorum; or
  - b. 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 members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Board members entitled to vote thereon; or
  - c. the conflicting interest transaction is fair as to the Association.
7. Periodic Review. The Board shall review this policy annually and revise if deemed necessary in its discretion.

### **III. Conduct of Meetings**

1. Open Meetings. All meetings of the Association, including Member, Board, and committee meetings, are open to every Member in good standing or any person designated by such Member in writing as the Member's representative. As used in this policy, "Member" includes any Member or representative or other authorized attendee at an Association meeting.
2. Board Meetings. At regular and special meetings of the Board, Members who are not members of the Board may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board or as otherwise provided in this policy. The Board shall permit Members to speak before the Board takes formal action on an item under discussion, expressly including prior to the adoption of a rule or regulation, and the Board shall provide for a reasonable number of persons to speak on each side of an issue. However,

the Board may place reasonable time restrictions on Member comments during any meeting.

3. Agenda; Open Forum. The President of the Board of Directors, and in his/her absence, the Vice President, shall serve as chairperson of all meetings. The agenda for all meetings shall follow the order of business determined by the Board but shall include a Member Open Forum during which any Member who wishes to speak will have the opportunity to do so, subject to the other provisions of this policy.
4. Limits on Right to Speak. The Board shall have the right to determine the length of time of the Open Forum. The presiding chairperson may place reasonable limitations on the time given to each Member seeking to comment to allow sufficient time for as many Members as possible to comment within the time permitted. Unless otherwise determined by the chairperson, each Member will have three minutes to speak during Open Forum. Members may not speak more than once during Open Forum except by permission of the Board. No Member may speak a second time until all Members wishing to speak have had an opportunity to speak once.
5. Sign-Up Sheets. The Board may make an Open Forum sign-up sheet available to Members prior to the time a meeting is scheduled to begin. Any Member wishing to comment at the ensuing meeting may add his/her name to the sign-up sheet. The chairperson will recognize Members for comment at the meeting in the same order as their names appear on the sign-up sheet. Any Member wishing to comment who has not placed his/her name on the sign-up sheet may only speak if time permits.
6. Member Conduct. No Member is entitled to speak until recognized by the chairperson. Only the chairperson may interrupt the person recognized to speak. The speaker shall observe the specific time limits set for comments. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. All comments are to be directed to the chairperson and restricted to the agenda item being discussed. Courteous behavior is mandatory.
7. Recording of Meetings. Note taking is permitted; however, video or audio recording of all or any portion of any meeting is prohibited. The Board may place additional limitations or restrictions on note taking by third-party attendees at Association meetings.

8. Curtailement of Member Conduct. Should the chairperson determine that any Member has spoken for the allocated amount of time or longer, or determine that the Member is in violation of the provisions of this policy, the chairperson shall have the authority to instruct that Member to yield the floor, and that Member will be obligated to comply with the chairperson's instruction.
9. Disruptive or Unruly Behavior. If a Member refuses to stop talking after his/her allotted time has ended, or otherwise disrupts the meeting, or is otherwise in violation of the provisions of this policy, the following procedure will be followed:
  - a. The chairperson will issue an oral warning that if the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, either the meeting will be adjourned or law enforcement/security will be called to remove the Member.
  - b. If the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, the chairperson may call a recess and speak directly to the Member, reiterating that either the meeting will be adjourned or law enforcement/security will be called to remove the Member.
  - c. If the Member still refuses to cooperate, the chairperson may choose whether to adjourn the meeting to another time or to call law enforcement/security.
10. Executive Session. Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed-door session and may restrict attendance to Board members and other persons specified by the Board to discuss any of the following:
  - a. Matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
  - b. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
  - c. Investigative proceedings concerning possible or actual criminal misconduct;

- d. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
  - e. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
  - f. Review of or discussion relating to any written or oral communication from legal counsel. Prior to the time the members of the Board convene in executive session, the chairperson shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above. The Board is not permitted to adopt any rule or regulation during an executive session.
11. Attorney/Client Privileged Communications. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information that it deems appropriate, in an open meeting.

#### **IV. Covenant Enforcement Policy and Fine Schedule**

1. Power. The Board of Directors shall have the power to hear and make decisions regarding violations and written complaints filed with the Board and to impose fines or other sanctions, pursuant to this policy. The Board may determine enforcement action on a case-by-case basis, and take other actions as it may deem necessary and appropriate to assure compliance with the Association's Declaration, Articles of Incorporation, Bylaws, and rules and regulations (collectively, the "Documents"), and to create a safe and harmonious living environment.
2. Remedies Not Exclusive. These enforcement provisions may be in addition to other specific provisions outlined in the Documents, and the Association is not required to follow these enforcement provisions before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate.

3. Complaint. A proceeding to determine if the Documents have been violated and any enforcement measures and remedies that may apply shall be initiated by the filing of a written Complaint with or by the Association's Board. The Complaint shall state the specific provision(s) of the Documents alleged to have been violated and as many specifics as are available as to time, date, location, and persons involved.
4. Notice of Complaint and Warning Letter. Upon receipt of a Complaint, if the Board determines that the allegations in the Complaint are sufficient to constitute a violation of the Documents and that action is warranted, the Board shall send a warning letter ("Warning Letter") to the person(s) (the "Respondent") alleged to have violated the Documents, by prepaid, First-Class United States Mail, addressed to the mailing address of the Respondent appearing in the records of the Association. The Warning Letter shall advise the Respondent of the following: (a) the details of the Complaint, or include a copy of the Complaint; (b) the alleged violation of the Documents; and (c) directing the Respondent to take specific action to remedy the violation, or cease the violating activity, within ten (10) days from the date of the Warning Letter or face further enforcement action, including the imposition of fines.
5. Continued Violation After Warning Letter and Right to Hearing. If, following the Warning Letter having been sent to the Respondent, the Association receives further complaint of the same or similar violations by the same Respondent or that the Respondent has not corrected the violation within the time permitted, the Association shall send a second notice to the Respondent, by prepaid First-Class United States Mail, addressed to the mailing address of the Respondent appearing on the records of the Association. The notice shall advise the Respondent of the following: (a) the alleged violation of the Documents; (b) the enforcement action that the Association may take or sanction the Association may impose; (c) Respondent's right to a hearing, either in person or in writing, by a committee appointed by the Board at a meeting of the Board which is at least fifteen (15) days after the date of the notice; (d) the date of the hearing; and (e) the Board's right to proceed with or without a hearing, at its discretion, to make its determination of the allegations contained in the Complaint based on all relevant facts and circumstances, if the Respondent fails to appear at the specified date and time or otherwise respond to the Complaint.

6. Hearing. Each hearing shall occur at the scheduled date, time, and place, unless the Respondent has failed to respond or appear at the hearing. Continuances may be granted for good cause. Each hearing shall be conducted by a Hearing Committee. The Hearing Committee shall consist of a person or persons appointed by the Board, which may be the Board itself, who do not have any direct personal or financial interest in the outcome of the hearing. A person is deemed not to have a direct personal or financial interest if he/she will not receive any greater benefit or detriment from the outcome than will the general membership of the Association. The Hearing Committee may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit it to reach a just decision. Neither the Complainant nor the Respondent must be in attendance at the hearing, but both are encouraged to attend. Any party may elect to present evidence at the hearing. Any decision by the Hearing Committee shall be fair and reasonable in light of the relevant facts and circumstances. Each hearing shall be open to attendance by Members of the Association.
  
7. Decision. If the Respondent does not appear but a written response is filed, the Hearing Committee shall render its decision based on the information contained in the Complaint and the written response, considering all of the relevant facts and circumstances. If neither an appearance nor a written response is made, the Hearing Committee need not conduct a hearing or make any further findings except that it may determine that the Respondent's failure to appear or respond constitutes a waiver of the right to a hearing, and a no-contest plea to the Complaint, and impose the sanctions provided for herein. If an appearance is made, after all testimony and other evidence has been presented to the Hearing Committee at a hearing, the Hearing Committee shall render its decision(s), taking into consideration all of the relevant facts and circumstances. Except as provided herein, the Hearing Committee's decision shall take effect no sooner than five (5) days after the hearing. If the Hearing Committee does not inform the Respondent of its decision at the time of the hearing, or if no hearing is held, the Hearing Committee will provide a written notice of the decision to the Respondent's address of record via First-Class United States mail within five (5) days after the decision is made.
  
8. Enforcement. The provisions of this policy shall not limit, or be a condition precedent to, the Association's right to enforce the Documents by any means

available to the Association, including, but not limited to, commencement of a lawsuit to force compliance or seek injunctive relief or damages. The Association shall be entitled to reimbursement of all reasonable attorneys' fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under this policy. Without limiting the Association's remedies under the Documents, the Hearing Committee may assess fines, suspend membership privileges, and impose other sanctions in accordance with this policy. If the violation involves damage to Association property, the violator shall also pay the costs of repair or replacement. The Hearing Committee may revoke or suspend the violator's privileges for a period of time equal to the duration of the violation and for up to sixty (60) days thereafter, unless such violation is a continuing violation, in which case such suspension may continue for so long as such violation continues and for up to sixty (60) days thereafter.

9. Fines. Fines may be levied by the Hearing Committee for violations of the Documents as follows:

Number of Violations in 12-Month Period	Amount of Fine
First Violation	\$50.00
Second Violation	\$100.00
Third Violation	\$250.00

Fines imposed pursuant to this policy shall become an assessment imposed against the record Owner's real estate and enforceable as provided in the Documents.

10. Habitual Offenders and Continuing Violations. A Member who accumulates more than three (3) violations within a twelve (12)-month period will be deemed to be a habitual offender. For habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date, the Hearing Committee may impose such additional fines as are deemed reasonable by the Hearing Committee without regard to the schedule above.
11. Willful and Wanton Violations. In the event of a determination by the Hearing Committee of a willful, wanton, or flagrant disregard for the provisions of the Documents, or based on the severity of the violation, the Hearing Committee may

impose such additional fines as are deemed reasonable by the Hearing Committee without regard to the schedule set forth above.

12. Responsibility for Actions of Tenant or Guest. Owners shall at all times be responsible for the actions of their tenants and guests. In the event that an Owner's tenant or guest violates the Documents and a fine is imposed, the fine shall be assessed against the Owner.
13. Violations or Offenses that Constitute a Present Danger. If, in its sole discretion, the Board deems that any alleged violation is or may be an immediate or substantial threat to the health, safety, or welfare of the community or an individual, the Board may take the appropriate action necessary to abate the threat to health, safety, or welfare of the community or individual.
14. Miscellaneous
  - a. Failure by the Association to enforce any provision of this policy shall in no event be deemed to be a waiver of the right to do so thereafter.
  - b. The provisions of this policy shall be independent and severable. The invalidity of any one or more of the provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

## **V. Inspection and Copying of Association Records**

1. Association Records. The following shall be the sole records of the Association for purposes of document retention and production to Owners:
  - a. Detailed records of receipts and expenditures affecting the operation and administration of the Association;
  - b. Records of claims for construction defects and amounts received pursuant to settlement of those claims;
  - c. Minutes of all meetings of its Owners and Board, a record of all actions taken by the Owners or Board without a meeting, and a record of all actions taken by any committee of the Board;

- d. Written communications among, and the votes cast by, Board members that are:
  - i. Directly related to an action by the Board without a meeting pursuant to C.R.S. § 7-128-202; or
  - ii. Directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws;
- e. The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Owner is entitled to vote;
- f. Its current Declaration, Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, Responsible Governance Policies adopted pursuant to C.R.S. § 38-33.3- 209.5, and other policies adopted by the Board;
- g. Annual financial statements and most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations for the past three (3) years, and tax returns of the Association for the past seven (7) years, to the extent available;
- h. A list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers;
- i. Its most recent annual report delivered to the Secretary of State;
- j. Financial records sufficiently detailed to enable the Association to comply with C.R.S. § 38-33.3-316(8) concerning statements of unpaid assessments;
- k. The Association's most recent reserve study, if any;
- l. Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two (2) years;
- m. Records of Board or Committee actions to approve or deny any requests for design or architectural approval from Owners;

- n. Ballots, proxies, and other records related to voting by Owners for one (1) year after the election, action, or vote to which they relate;
  - o. Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members;
  - p. All written communications within the past three (3) years to all Owners generally as Owners;
  - q. The Association's operating budget for the current fiscal year; and
  - r. A list of all Association insurance policies, including, but not limited to, property, general liability, Association director and officer professional liability, and fidelity policies, which list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.
2. Request for Records. All records maintained by the Association shall be available for examination and copying (including electronic transmission if available) by an Owner or the Owner's authorized agent. Any Owner or authorized agent requesting records must submit a written request, describing with reasonable particularity the records sought, at least ten (10) days prior to inspection or production of the documents. Records may be inspected and copied between 9:00 a.m. and 4:00 p.m., Monday through Friday, except for holidays, at the Association's management offices. Notwithstanding the above, at the discretion of the Board, records may also be inspected at the next regularly scheduled meeting if such meeting occurs within thirty (30) days after the request to inspect has been received. Any permitted inspection must not disrupt the ordinary business activities of the Association or its managing agent.
3. Charges for Records. The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of Association records, which may include the cost of recovery and re-storage of off-site records. The charge may not exceed the estimated cost of production and reproduction of the records. Unless otherwise provided in a Board resolution or in the management agreement for the Association, the pertinent parts of which shall be attached to this policy, this Association will charge twenty-five cents (\$0.25) per page for copies, including electronic scans, of records. If after

payment of the deposit it is determined that the actual cost was more than the deposit, the Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.

4. Purpose of Records Request. The Association may not condition the production of records upon the statement of a "proper purpose," except that Association records and the information contained therein shall not be used for any commercial purpose.
5. Membership Lists. A membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner without the prior consent of the Board. Without limiting the foregoing sentence, without the consent of the Board, a membership list, or any part thereof, may not be (a) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association; (b) used for any commercial purpose; or (c) sold to or purchased by any person.
6. Records That May Be Withheld. Records maintained by the Association may be withheld from inspection and copying at the Board's discretion to the extent that they are or concern:
  - a. Architectural drawings, plans, and designs unless released upon the written consent of the legal owner of the drawings, plans or designs;
  - b. Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently under negotiation;
  - c. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including but not limited to confidential litigation files and matters covering consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or are privileged or confidential between attorney and client;

- d. Disclosure of information in violation of law;
  - e. Files dealing with investigative proceedings concerning possible or actual criminal misconduct;
  - f. Records of an executive session;
  - g. Individual lots other than those of the requesting owner;
  - h. Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board of Directors; or
  - i. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
7. Records That Must Be Withheld. Records maintained by the Association are not subject to inspection and copying, and shall be withheld, to the extent that they are or concern:
- a. Personnel, salary, or medical records relating to specific individuals; or
  - b. Personal Identification and account information of Members and residents, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers. However, if a Member or resident provides the Association with prior written consent, either by electronic mail or other writing, to the disclosure of either their telephone numbers or electronic mail addresses, or both, the Association may publish that information to other Members and residents. The written consent must be kept as a record of the Association and remains valid until the person withdraws it by providing the Association with a written notice of withdrawal of the consent. If a person withdraws his or her consent, the Association is under no obligation to change, retrieve, or destroy any document or record published prior to the notice of withdrawal.
8. Board's Discretionary Rights. At the discretion of the Board, certain records may only be inspected in the presence of a Board member. No records may be removed from the Association's principal office without the express written consent of the Board. If an Owner requests to inspect records, the Association

may photocopy and provide the requested records to the Owner in lieu of the Owner's inspection of the records, if consented to and paid for by the Owner.

9. Commercial Purpose. Association records and the information contained therein shall not be used for commercial purposes.
10. No Obligation to Create Documents. The Association is not obligated to compile or synthesize information in its records. If the Association agrees to compile or produce information or documents not identified in this policy as an Association record, the Association may charge additional fees to the requesting Owner to cover the actual expenses associated with such compilation or production.
11. Damages. The Association reserves the right to pursue any individual for damages or injunctive relief, or both, including reasonable attorneys' fees, for abuse of these rights, including, but not limited to, use of any records for a prohibited purpose.

## **VI The Adoption and Amendment of Policies and Rules**

1. The Association's governing documents, and C.R.S. § 38-33.3-302, give the Board of Directors the authority to adopt policies, procedures, rules, and regulations (hereinafter collectively referred to as a "Rule"). The Board may adopt Rules to facilitate the efficient operation of the Association, including clarification of provisions in the governing documents.
2. Prior to adopting a new Rule, the Board has the right, but not the obligation, to conduct an informational meeting of the Members and solicit their input regarding any new or existing Rule.
3. The Board shall only adopt Rules in open meetings. At the meeting where the Board intends to adopt a proposed rule, at an appropriate time determined by the Board, but before the Board votes on the adoption of the Rule, Members or their designated representatives will have an opportunity to speak regarding the Rule in the manner provided in the Association's Conduct of Meetings Policy.
4. The Board will give notice of the adoption, amendment, or repeal of the Rule in writing to each Member of the Association at the address for notices to Members as may be provided in the Association's Declaration or Bylaws, or as submitted to

the Association by the Member, and will publish the Rule by any reasonable means available, which may include posting the Rule in the community or on the Association's website by e-mail, mail, newsletter, or personal delivery.

5. Any Member's failure to receive the Rule shall not serve as a defense to any attempt by the Association to enforce the Rule or to levy fines, expenses, or attorneys' fees as a result of a violation of the Rule.

## **VII. Dispute Resolution**

1. Claims and Disputes. Except as provided herein, the following procedures will apply to all disputes or claims involving the Association and/or the Association's governing documents.
2. Notice of Claim. Prior to proceeding with any claim, the party asserting the claim ("Claimant") shall give written notice of such claim to all opposing parties ("Respondent"), which notice shall state plainly and concisely:
  - a. The nature of the claim, including all persons involved and Respondent's role in the claim;
  - b. The legal or contractual basis of the claim (i.e., the specific authority out of which the claim arises); and
  - c. The specific relief and/or proposed remedy sought.
3. Duty to Confer. After the Respondent receives the notice of claim, the parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the claim by good faith negotiation. Such efforts may include inspections of the Claimant's or the Respondent's Lot for purposes of evaluating any alleged violation. Any party may be represented by attorneys and independent consultants to assist in the negotiations and to attend meetings.
4. Submission of Claim to Mediation. If the parties do not resolve the claim through negotiations within sixty (60) days after submission of the claim to the Respondent, the Claimant shall have an additional sixty (60) days to submit the claim for mediation. In the event the parties are unable to agree on a mediator, a mediator shall be appointed upon application of either party to the local district

court. In such event, the claim shall be deemed to be submitted upon filing the petition for appointment of the mediator.

5. Waiver of Claim. If the Claimant fails to submit the claim to mediation within sixty (60) days after submission of the claim to Respondent, or fails to appear at the mediation, the Claimant shall be deemed to have waived the claim, and the Respondent shall be released and discharged from any and all liability to Claimant on account of such claim; provided, however, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant.
6. Results of Mediation. Any settlement of the claim through mediation shall be documented in writing by the mediator and signed by the parties. If a termination of the mediation occurs, the mediator shall issue a written statement advising that the parties are at an impasse.
7. Costs of Mediation. Unless otherwise agreed, each party shall bear its own costs of the mediation, including attorneys' fees, and each party shall share equally all charges of the mediator.
8. Right to Proceed with Court Action. Upon termination of mediation, if no resolution is reached and Claimant desires to pursue the claim, Claimant shall thereafter be entitled to file an action in any court having jurisdiction for final resolution of the claim.
9. Attorneys' Fees. In any action, the court shall award the substantially prevailing party its reasonable costs and attorneys' fees.
10. Excluded Claims. Unless all parties thereto otherwise agree, the following disputes or claims shall not be subject to the provisions of this policy:
  - a. An action by the Association relating to the collection or enforcement of the obligation to pay assessments or other charges set forth in the Association's governing documents;
  - b. An action by the Association to obtain a temporary restraining order or preliminary or permanent injunction (or equivalent emergency equitable

relief) and such other ancillary relief as the court may deem necessary in order to enjoin any immediate threat to persons or property;

- c. Any action between or among owners, which does not include the Association as a party, if such action asserts a claim which would constitute a claim for relief independent of the Association's governing documents;
  - d. Any action in which any indispensable party is not the Association, its officers, directors, or committee members, or a person subject to the Association's governing documents, or their officers, directors, partners, members, employees, and agents; and
  - e. Any action to enforce a settlement agreement made under the provisions of this policy.
11. Judicial Enforcement. If the parties agree to a resolution of any claim through negotiation or mediation in accordance with this policy, and any party thereafter fails to abide by the terms of such agreement, then any other party may file its action in court to enforce such agreement without the need to again comply with the procedures set forth in this policy. In such event, the party taking action to enforce the agreement shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties as the court may determine) all costs incurred in enforcing such agreement, including without limitation, reasonable attorneys' fees and court costs.
12. Statute of Limitations. No claim may be initiated after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitation or statute of repose.
13. Interaction with Covenant Enforcement Policy. It is not the intent of this policy to supersede any of the provisions of the Association's Covenant Enforcement Policy. Nor is it the intent of this policy to require the Association to follow the procedures set forth herein before having the ability to bring enforcement action or impose fines or other sanctions under the Covenant Enforcement Policy.

**Certificate of Adoption**

The undersigned, as Secretary of the Silver Shekel Owners Association, Inc., hereby certifies that the foregoing Amended Responsible Governance Policies for the Silver Shekel Owners Association, Inc., were adopted via Board Resolution 2022-05 by unanimous vote of the members of the Board of Directors present at the Board meeting on August 8, 2022, where a quorum was present.

Dated: 08/11/2022, 2022

Silver Shekel Owners Association, Inc.

By: Kenneth E. Mace  
Kenneth Mace, Secretary