

Southfork Property Owners Association

Policies

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Pursuant to the requirements of the Colorado Common Interest Ownership Act (CCIOA), the Southfork Property Owners Association has established the above listed policies for the governance of the association. This document collects all of the currently enacted policies in a single document. Every effort has been made to make this document reflect the enacted policies as accurately as possible and be current with the existing state of revision of the policies. However, this document should not be construed to be a substitute for the original signed policy documents. Questions concerning the document's status may be directed to the association board utilizing the contact information listed at the bottom of this page.

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EXHIBIT A
ASSESSMENT COLLECTION

1. Owner Responsibility.

- (a) Assessments are vital to fund the operations of Southfork Property Owners Association (the “Association”). The Association has adopted this rule (the “Rule”) to promote and protect its financial strength for the benefit of all Owners. Owners are responsible for paying Assessments as provided in the Association’s Governing Documents which include the Association’s recorded Covenants, its Articles of Incorporation, its Bylaws and its Rules (collectively “Association’s Governing Documents”). In addition, Owners have a statutory duty to pay under certain provisions of the Colorado Common Interest Ownership Act (CCIOA); and they have a duty to read, understand and comply with the Association’s Governing Documents and the applicable provisions of the CCIOA.
- (b) Owners are responsible for contacting the Association, and for making arrangements for the delivery of all payments to the Association, whether by mail or direct deposits. Owners must notify the Association in writing of any change in their mailing address or status within 15 days of such change. The Association shall not be liable for any errors or omissions in any billing address or payment statement to the Owner.
- (c) Checks containing a restrictive endorsement (on either side of a check) that are not sent to the attorney of the Association may (at the option of the Association) either be:
 - (i) returned to the Owner and the amount tendered shall be considered unpaid; or
 - (ii) deposited without waiving any of the rights and remedies of the Association to unpaid sums, whether or not the restrictive endorsement is crossed out.

2. Due Date, Interest and Late Charges.

- (a) The Association's Annual Common Expense Assessment shall be due and payable as provided in the Association’s Governing Documents, and unless otherwise provided, annual Assessments shall be due on the 1st day of each year; and further, special Assessments, fines, fees and other charges shall be due on the date specified in any notice thereof.
- (b) Any payment, which is not received by the 30th day after such payment is due, shall be considered past due and delinquent, and will be charged a late fee/administration fee that is set by the Board (currently \$25.00) to compensate the Association for the processing of a delinquent payment, which fee shall be owed by the Owner for each year such assessment is not paid.

- (c) In addition to the late fee, the Association shall be entitled to recover any and all costs of collection, including reasonable attorney's fees, as well as interest allowed by the Association's Governing Documents or any statute or law. The current interest rate for delinquent sums is set by the Board in accordance with Section 21 of the Covenants at 21% percent per annum.

3. Returned Checks.

- (a) The Association will impose an administrative fee (currently \$35.00) for all returned checks.
- (b) If notice of a returned check, draft or money order is sent as provided in C.R.S. 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 Owner who provided the returned check shall be liable to the Association for collection for three times the face amount of the check, but not less than \$100.00, and any expenses of collecting such sums.
- (c) 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.

4. Payment Plan.

- (a) The Association is not a lender, and failure to pay Assessments imposes financial burdens on the other Owners. A payment plan may only be considered for circumstances required by law or statute, or hardship conditions that justify some sort of temporary accommodation.
- (b) Any request for a payment plan must be made by an Owner in writing and delivered to the Association's Registered Agent. The name of that Registered Agent and the Registered Address can be found at the Colorado Secretary of State website (<https://www.sos.state.co.us>).
- (c) Any payment plan must be a legally binding contract, and the plan must require the Owner to pay all delinquent sums, including late fees, interest, attorney fees and other costs. The payment plan must require that the Owner must keep all annual payments current and must pay off the entire delinquent amount in six equal monthly installments, unless a longer time period is agreed to by the Board, in writing, for extraordinary circumstances.
- (d) Nothing in this Rule prohibits the Association, or a holder or assignee of the Association's debt from pursuing legal action against an Owner if the Owner fails to comply with the terms of his or her payment plan. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular Assessments as they come due during the repayment period, constitutes a failure to comply with the terms of his or her payment plan.

- (e) The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan. In such cases the Board shall have complete discretion as to payment plans, except as otherwise required by future changes to the Colorado statute.
- (f) No payment plan is available if the Owner does not occupy the Unit and has acquired the Unit as a result of: (1) a default of a security interest encumbering the Unit; or (2) foreclosure of the Association's lien.

5. Notice of Delinquent Assessments.

- (a) The Association may send the Owner a notice of delinquency and may charge for any notices sent to the Owners in connection with such delinquent Assessments, but the Owners are responsible for ensuring that their payments are timely and fully made, regardless of whether notice is sent.
- (b) Before the Association turns over a delinquent account of an Owner to a collection agency, or refers it to an attorney for legal action, the Association shall, to the extent required by statute or law, send the Owner a notice of delinquency specifying:
 - (i) the total amount due, with an accounting of how the total was determined, which may be shown by enclosing a copy of that Owner's ledger;
 - (ii) that an opportunity to enter into a payment plan may exist in accordance with Section 4 of this Rule in which case the Owner (if eligible) must contact the Association's Registered Agent, in writing at the Registered Address, to request a payment plan.
 - (iii) that the name and contact information for the individual whom the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt is the Association's Registered Agent at the Registered Address described above; and
 - (iv) that action is required to cure the delinquency, and that failure to do so within thirty (30) days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

6. Payment Priority.

Regardless of inscriptions or notations on the front or back of the check, all payments shall be applied to outstanding balances in the following order of priority:

- (i) late charges;
- (ii) interest;
- (iii) attorney fees and costs;
- (iv) returned check charges;
- (v) past-due Special Assessments, past-due fines, or other charges, if any;
- (vi) currently due Special Assessments, or currently due fines, or other charges, if any;
and
- (vii) unpaid Assessments beginning with the oldest unpaid assessment.

7. Remedies for Collection of Delinquent Assessments.

- (a) The Association may exercise any and all rights and remedies available under the Association's Governing Documents, or under Colorado law, including without limitation, the Owner's delinquent account being turned over to a collections agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.
- (b) To the fullest extent permitted by the Association's Governing Documents and/or Colorado statutes, the Association may also deny rights to use Association facilities, voting rights, or other rights in the Association (including but not limited to inspection of records) until all Assessments and other sums are paid in full. In order to be a "Owner in good standing" for purposes of this Rule, and to obtain a release of liens, restoration of voting or other rights, or to terminate litigation, the delinquent Owner must make payment in full of all Assessments and other sums, including sums which arise after the collection process or after the Owner delivers a payment to the Association.
- (c) To the fullest extent permitted by the Association's Governing Documents and/or Colorado statutes, the Association may (but shall not be required) proceed by filing litigation against any Owner who has not paid his assessment and, without affecting that remedy, may also file a lien against the delinquent Unit, which may be foreclosed as provided in Section 9 below.
- (d) To the fullest extent permitted by the Association's Governing Documents and/or Colorado statutes, the tenant in any rental Unit in the Association may be required to pay any delinquent annual or special assessment owed by the Owner of the rental Unit to the Association.

- (e) To the fullest extent permitted by the Association's Governing Documents and/or Colorado statutes, the Association may also assign its assessment lien against the delinquent property to a third-party assignee, without recourse or warranty of any kind. The assignee shall assume all responsibility for the enforcement of the assigned lien, and the Association shall not be liable for any actions of said assignee. Assignments shall apply only to Assessments that are owed to the Association prior to the assignment, and shall not assign, release or supersede any claims or lien the Association may have for Assessments accruing after said date. If an assignee does not pay any Assessments levied after the assignment, the assigned assessment lien shall be subordinate to any future assessment by the Association, and the assignee may not take any actions that would hinder the Association's right or ability to collect those unpaid future Assessments.

8. Association's Collection Action through its Attorneys.

- (a) 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 have any authority to 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.
- (b) Once accounts are turned over to the Association's attorney, Owners shall make payment to the Association at the address of the Association's attorney, and the Association shall be entitled to collect interest at the rate set forth in this Rule, from the due date of such payments, as well as reasonable attorney fees, court costs, and all other expenses of collection on said delinquent payment. The reasonable attorney fees incurred by the Association shall be due and payable from the delinquent Owner on the date(s) when such expense(s) are incurred by the Association.

9. Foreclosure of Liens.

- (a) Liens under CRS 38-33.3-316. The Association has rights and remedies to collect Assessments under the CCIOA, including the statutory liens described in CRS 38-33.316(2)(b)(i) and 38-33.3-316(c). Any sums expended by the Association for repairs or other actions needed to preserve or protect any abandoned Unit within the Association during a foreclosure against said Unit shall be additional indebtedness secured by the priority statutory lien claim. However, the Association, or holder, or assignee, of the Association's statutory lien, whether the holder or assignee of that lien is an entity or a natural person, may only foreclose on the lien if:
 - (i) the balance of the Assessments and charges secured by its lien, as defined in Subsection (2) of CRS 38-33.3-316, equals or exceeds one-half of the annual common expense Assessments based on a periodic budget adopted by the Association and has been unpaid for at least six months;

- (ii) the Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. The Board may not delegate its duty to act under this Subparagraph to any attorney, insurer, manager, or other person, and any legal action filed without evidence of the recorded vote authorizing the action must be dismissed.

The lien and other rights of the Association under the Association's Governing Documents shall not be affected or impaired by the restrictions set forth above.

- (b) Lien under Association's Governing Documents. In addition to the statutory lien described above, the Association, or its assign, may exercise its rights and remedies under the Association's Governing Documents in accordance with Colorado law, including the filing and foreclosure of liens.

10. Bankruptcy of Owner.

- (a) The filing of a bankruptcy action does not terminate the Association's right to collect Assessments, because:
 - (i) the Association has an Assessment lien claim against the Unit for all past Assessments; and
 - (ii) the Owner will remain personally liable for all post-bankruptcy filing Assessments, so long as they retain title to the Unit.
- (b) Based on the above, when the Association learns that a bankruptcy action has been filed, the accounting for that Unit shall thereafter be based upon the filing date of that bankruptcy action (the "Petition Date"), and the Association should create two separate ledgers for the Unit showing Assessments owed prior to the Petition Date and after the Petition Date.

11. Proof of Payments.

- (a) Since the records of the Association are kept in the ordinary course of business and the Association relies upon same for the behalf of all Owners, there is a presumption that those records are correct and that the Assessment is valid if there is no written dispute received by the Association within thirty (30) days after the mailing of a billing statement.
- (b) An Owner who wishes to dispute the amount or the validity of any Assessment charged to his/her Unit must submit a statement within thirty (30) days after the mailing of a billing statement that describes all disputed/missing payments and can request information from (or request a hearing before) the Board, but must put that request in writing in accordance with this Rule.

- (c) The Board may require that the Owner deliver documentation, such as cancelled checks or bank statements, to support the Owner's claims.
- (d) All payments made to settle a dispute and ALL correspondence regarding payment disputes must be sent by certified mail to the Association's Registered Agent at the Registered Address. If payment or correspondence is delivered by any other method, the Owner using that non-authorized method assumes the risk that the payment and any communication sent by that method will not be received by the Association.

12. Certificate of Status of Assessments.

Upon receipt of the written request described below, and the advance payment of the fee described below, the Association should furnish to an Owner or such Owner's designee a written statement setting forth the amount of unpaid Assessments currently levied against the Owner's Unit upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's Registered Agent at the Registered Address described above. The statement should be delivered within 14 calendar days after actual receipt of the request. The request must include payment of the Association's fee for such statements, currently \$150.00, or the fees of the Association's attorney, if the account is delinquent and has been referred for collection. Failure to pay any delinquent Assessments or sums (including the fee), or to comply with any conditions stated in the statement should render the statement null and void. Any such statement shall be without warranty or liability to the Association.

13. General.

- (a) Nothing in this Rule requires the Board to take specific actions at a specific time. The Board has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Board may modify the procedures contained herein as the Board shall determine appropriate under the particular circumstances.
- (b) Failure of the Association to strictly comply with any provision of this Rule shall not be deemed a waiver of the Association's right to require strict compliance by the Owner and shall not be deemed a defense to payment of Assessments fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Rule nor be asserted as a claim against the Association.
- (c) This Rule shall be effective as provided below, at which time it shall replace and supersede any prior rule or policy regarding Assessments, collections, liens and legal remedies. This Rule may be amended by the Board in the future.
- (d) If any portion or provision of this Rule is found to be invalid, the remaining provisions shall continue in full force and effect.

Adopted this 13th day of December, 2016.

EXHIBIT B MEETINGS

1. Conducting Meetings.

- (a) The meetings of Southfork Property Owners Association (the “Association”) shall be conducted in accordance with the governing documents of the Association, especially its Bylaws, and in accordance with the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act (the “CCIOA”).
- (b) At all meetings, all Members are expected to maintain proper behavior and decorum, which requires that Members shall:
 - (i) Be respectful to others present and to the meeting process;
 - (ii) Refrain from name-calling, use of foul language, and other aggressive behavior;
 - (iii) Differentiate statements of opinion from statements of fact;
 - (iv) Speak only when acknowledged by the Chair; and
 - (v) No food or alcohol shall be brought to meetings.

If a Member fails to observe the above standard, demonstrating inappropriate behavior which negatively impacts the Association’s meeting(s), the Chair shall issue one warning to the Member. If inappropriate behavior continues, the Member may be asked to remove him- or herself from the meeting. If the Member refuses to comply, the meeting may be adjourned at that time, even though there are agenda items not yet heard; or the Chair may take other action, at the sole discretion of the Chair, including request for police assistance.

2. Member Participation at Board Meetings.

- (a) All meetings of the Board of Directors, except the Executive Session, are open to attendance by any Member or any person designated in writing by that Member as the Member’s Representative.
- (b) Agendas will be available at the meeting. Any agenda created for a Board meeting may be posted on the website or shall otherwise be provided to any Members who request a copy, and shall be available at the meeting.
- (c) Members in good standing or their representatives may speak on any matter that is on the agenda at the time that issue is raised, and any new matters will be raised under “new business” at the end of the meeting. In the event that time limits are deemed to be necessary at the option of the chair, that portion of the meeting shall be conducted as follows:

- (i) if there is a list at the sign-in table for persons to enter their names, those individuals will be given priority to speak at the meeting, and they will be called upon to speak in the same order in which they entered their names;
 - (ii) speakers will be subject to the rules of conduct described in paragraph 1(b) above;
 - (iii) each person shall have 5 minutes to speak;
 - (iv) such period shall not exceed a total of 30 minutes;
 - (v) priority will be given to items shown on the agenda, if any; and
 - (vi) if more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue, and the President shall allocate the time permitted among the various Members or designated representatives who wish to speak.
- (d) After the designated time, only the Directors shall participate in any deliberation or discussion of the Board unless expressly authorized by a vote of a majority of the Board.
- (e) Members in good standing who wish to discuss a certain issue, complaint, or request shall submit such, in writing, at least 15 days prior to the Board meeting. No action shall be taken upon such matters unless a motion is made stating the proposed action and is seconded by members of the Board prior to discussion. The Board reserves the option to respond to any new business at the next Board meeting, in order to investigate and/or obtain advice to respond to the Member.

3. Member Participation at Annual and Special Meetings of Members.

- (a) The Board shall determine the agendas for the meetings, subject to any requirements in the Association's Governing Documents, and may distribute agendas with notices of the meetings. If ten percent (10%) of the Members in good standing wish to call a special meeting, they must submit such petition, in writing, at least 15 days prior to the proposed meeting so that the Board may send the notice of that meeting at least 15 days in advance of the meeting, if the owners want that meeting to take place within 30 days.
- (b) The President (or such other person as may be designated by the Board) shall preside over all meetings. Items of business and/or discussion must be presented by Motion and such Motion must be seconded prior to discussion. In the event that time limits are deemed to be necessary at the option of the chair, that portion of the meeting shall be conducted in accordance with the following provisions of this section.
- (c) Any Member in good standing or the designated representative of such a Member may speak at the designated time upon any issue requiring a vote of the Members (prior to any vote). Upon being recognized, the Member must state his/her name and address.

- (d) The total length of any time for Members or designated representatives speaking on a single issue of any meeting of the Members shall not exceed the time set forth by the president at the beginning, but not exceeding a time limit of 10 minutes total, and the President shall pro-rate that time among the various Members who wish to speak.
- (e) Each Member who wishes to speak will be given 5 minutes 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.
- (f) Issues that a Member wishes to discuss at the annual meeting should be submitted to the Board in writing five days prior to that meeting. Topics presented in advance will be given priority for discussion at the annual meeting.
- (g) In any case where 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 the Board may adjourn to obtain a recommendation whether to proceed; such determination may be made following consultation with legal counsel.

4. Notice of Meetings.

- (a) Board Meetings: Notice of Board Meetings shall be given in accordance with Article III, Section 3.6 of the Bylaws. Actions can be taken without a meeting in cases where prompt action is required between scheduled board meetings if a Notice stating the action to be taken and the time by which a director must respond is transmitted in writing (which may include electronic communication) to each director, and each director, by the time stated in the Notice either:
 - (1) votes in writing for such actions; or
 - (2) votes against such action or abstaining from voting, in writing; or
 - (3) fails to respond or vote, and fails to demand that action not be taken without a meeting.
- (b) Members Meetings: Notice of Members Meetings shall also be given in accordance with the Governing Documents of the Association, currently Article II, Section 2.5 of the Bylaws. In addition, notice of such meetings shall be physically posted on three entrance signs and electronically posted on the Association's website, and may be given by mail and by electronic mail notices pursuant to C.R.S. § 38-33.3-308. If a Member requests notice by e-mail only and provides an e-mail address, the Board shall make an effort to provide e-mail notice to that Member.

- (c) The notice of any meeting must state the time and place of the meeting and the items on the agenda. If the meeting will include any of the following actions, the Notice, agenda or some other method (such as the website) should include:
 - (i) the general nature of any proposed amendment to the Declaration or Bylaws;
 - (ii) any budget changes; and
 - (iii) any proposal to remove an officer or member of the Board.
- (d) Any notice that conforms to the above requirements is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered.

5. Proxies.

- (a) Votes allocated to a Membership or property (a “Unit”) may be cast pursuant to a proxy duly executed by a Member in good standing, but only one vote per Unit. If a Unit is owned by more than one person, only one Member of the Unit may send the Association an executed proxy to vote for the Unit. If more than one proxy is submitted for a Unit with multiple owners those proxies will not be used to vote, but they will count as one Member present for quorum purposes. A Member may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association or as otherwise provided below. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides a shorter term.
- (b) An appointment of a proxy is revocable by the Member. Appointment of a proxy is revoked by the person appointing the proxy:
 - (i) Attending any meeting and voting in person; or
 - (ii) Signing and delivering to the secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form.
- (c) Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. A proxy shall not be valid if obtained through fraud or misrepresentation. The Association is entitled to reject a proxy appointment if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory’s authority to sign for the Member.

6. Voting.

- (a) Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. If an election or vote is to be held, the Member will be given the appropriate number of ballots, unless the voting rights have been suspended, in which case Members shall not be given ballot.
- (b) Any ballot for the contested election of directors shall be a secret ballot. At the discretion of the Board or upon the request of twenty percent of the Members who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all Members are entitled to vote shall be by secret ballot. If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.
- (c) Each voting Member is entitled to one vote per Unit on each matter submitted to a vote of the Members entitled to vote thereon. Cumulative voting shall not be allowed. The right to vote of any Member which is a corporation or unincorporated association may be exercised by such officer, agent or proxy as the bylaws, constitution or other governing instrument of such corporation or association may prescribe or, in the absence of such provision, as the board of directors of such corporation or association may determine.
- (d) If only one of the multiple Members of a Unit is present at a meeting of the Association, such Member is entitled to cast the vote allocated to that Unit. If more than one of the multiple Members are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Members. There is a majority agreement if any one of the multiple Members casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Members of the Unit.
- (e) The Association Secretary shall be in charge of providing secret ballots, which protect the voters' privacy, but also provide for the security of the election. Either the Association Secretary (unless said officer is a candidate), or the Managing Agent, or both, shall constitute a neutral third party to count the ballots. If no neutral party is available, the ballots may be counted by a committee of volunteers, who shall be Members selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person presiding during that portion of the meeting, provided however, that said volunteers shall not be Board members and, in the case of a contested election, shall not be candidates.
- (f) The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Members participating in such vote.

7. Executive Sessions.

- (a) The Association's Board may meet in executive closed sessions to discuss matters pertaining to employees, the managing agent's contract, consultation with legal counsel, investigative proceedings concerning possible or actual criminal misconduct, matters which are subject to specific constitution and statutory or judicially imposed requirements protecting the proceedings, any matter of disclosure which would constitute an unwarranted invasion of individual privacy, and a review and/or discussion relating to any written or oral communication from legal counsel.
- (b) Prior to holding an executive session, the President or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above. The Board will take no final action in executive session, but it may give direction to legal counsel therein. Any proposed Rule or Regulation discussed during an executive session may only be validly adopted only during a regular or special meeting, or after the Board returns from its executive session.
- (c) The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session. The Board members and other members shall preserve attorney-client privilege regarding consultation and communications from legal counsel.

Effective date: 13th of December 2016

EXHIBIT C
CONFLICTS OF INTEREST

1. The Board of Directors of Southfork Property Owners Association (the “Association”) shall comply with all of Colorado’s statutory provisions against conflicting interest transactions as found in the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act. A “*conflicting interest transaction*” is defined by the Colorado statutes, but generally means a contract, transaction, or other financial relationship between the Association and:
 - (a) a director of the Association; or
 - (b) a party related to a director (a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling); or
 - (c) an estate or trust in which the director or relative has a beneficial interest;
or
 - (d) an entity in which a relative of a director, or officer, or has a financial interest.
2. Reimbursement of actual expenses shall not be deemed a financial benefit for purposes of this policy; and transactions that are of a general benefit to a group of homeowners that includes one or more directors shall not be considered a conflicting interest transaction.
3. Each individual Director is obligated by law to disclose, in an open Board meeting, any existing conflict of interest prior to any discussion or action on that issue, and the Director shall not vote on such issue. Such disclosure should be reflected in the minutes of the meeting or other written form.
4. The director should not take part in the discussion and should leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Directors may ask the interested Director to remain during any portion of the discussion and/or vote, provided that the Director does not vote.
5. The above notwithstanding, at any Board meeting, a Director with a conflict of interest may be counted “*present*” for the purpose of determining whether a quorum exists; and the foregoing requirements shall not be construed as preventing the interested Director from briefly stating his or her position in the matter, nor from answering pertinent questions of other Directors, since his or her knowledge may be of great assistance.
6. The contract, Board decision or other Board action must be approved in good faith by a majority of the disinterested Directors. No contract, Board decision or other Board action in which a Director has a conflict of interest shall be approved unless it is commercially reasonable to (and/or in the best interests of) the Association.

7. Any contract or action in violation of this policy shall be brought to the attention of the remaining Directors for appropriate action and shall be declared void and unenforceable, unless the transaction:
 - (a) the material facts of the conflict are disclosed or are known to the Board or to the members entitled to vote thereon; and
 - (b) is approved or ratified in good faith by a majority of either:
 - (i) the disinterested Directors; and/or
 - (ii) the Members of the Association; and
 - (c) is fair to the Association.
8. Any Director who violates this rule, or any other lawful provision of any Association Document, may be removed from the Board by the other Directors; and any contract entered into by the Association can be declared void and unenforceable, and the interested Director shall be responsible for any damages arising from the failure to disclose the conflict.
9. No loans shall be made by the Association to any director or officer. If any director or officer assents to or participates in the making of such a loan, he or she shall be liable to the Association for the amount of such loan until repayment is made.
10. The Board will review this conflict of interest policy on a periodic basis, at least annually, and update same as necessary.

Effective date: 13th of December 2016

EXHIBIT D
PROCEDURE FOR ADDRESSING DISPUTES

1. Dispute Resolution.

The Southfork Property Owners Association (the “Association”) hereby establishes procedures for addressing disputes arising between the Association and unit owners.

A. Purpose. The Association believes that the relationships in our community may be damaged whenever litigation is used in order to resolve disputes, and that the inherent problems in court proceedings make litigation a particularly inefficient means of resolving community disagreements. As a result, the Association has adopted this policy to encourage the use of alternative methods for resolving disputes.

B. Goal. In the event of any dispute, if the situation does not involve unpaid assessments or an imminent threat to the peace, health, or safety of the community, the Parties involved in the dispute shall attempt to resolve the dispute using the procedures set forth below prior to filing a complaint in court or otherwise initiating a legal proceeding.

C. Policy. At the Board’s discretion, the Association may, but shall not be required to, submit any dispute to mediation, arbitration, or other alternative dispute resolution device; provided, however, that the Association reserves all rights to seek equitable and legal relief through any court having jurisdiction over the dispute. Nothing in this Bylaw shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the Parties to meet. Neither the Association nor the Member waives any right to pursue whatever legal or other remedial actions available to either Party.

2. Procedure to Begin Mediation.

A. Requesting Mediation. The Party wishing to resolve a dispute will provide each other Party to the dispute with a written Request describing:

- (i) a description of the dispute, including the date, time, location and persons involved;
- (ii) a description of the requested action or proposal that would resolve the dispute; and
- (iii) times and dates that the requesting Party would be available to meet with the other Party to determine how to resolve the dispute.

B. Negotiation. During the first 30 days after a Request is made the Parties will make reasonable good faith efforts to communicate directly with each other in an attempt to reach an agreement that serves the interests of all Parties. If the Parties do not resolve the dispute by direct communication within 20 days of the date of receipt of the Request, the Parties must begin efforts to schedule mediation with a trained, neutral mediator.

C. Selecting a Mediator. The Parties shall select a mutually acceptable mediator within thirty (30) days of the date of receipt of the Request. Each Party will provide the other Party with the name of at least one acceptable mediator. If the Parties cannot reach agreement on whom to select as a mediator, each Party shall select a representative, who will meet and appoint a neutral person to act as mediator. If those representatives are not able to agree, an attorney recommended by CAI will act as mediator.

D. Scheduling Mediation. The Parties will both work directly with the Mediator to establish the date for the mediation. If the scheduled of the Parties do not allow mediation to take place within 10 days of the date of receipt of the Request, then mediation will be scheduled by the Mediator at his/her first available date after the 10 days without regard to the schedules of the Parties. In the event either Party fails to cooperate with the selection and/or scheduling of mediation, the requesting Party may petition the Court to compel the defaulting party, who will be required to pay all costs and reasonable attorney fees incurred by the requesting Party to compel mediation.

3. Conduct of Mediation.

A. Goal. If mediation is used, the Mediator will attempt to help the Parties reach an agreement, but will not make decisions for the Parties. If an agreement is reached during mediation, the Mediator will put the agreement in writing; the parties must review same prior to leaving mediation, and approve the final version; and it will then be binding upon the parties. If no agreement is reached, the entire mediation process will be confidential and may not be used by either Party for any reason whatsoever

B. Cost of Mediation. The cost of mediation will be shared equally among the Parties unless they agree otherwise.

C. Failure to comply with Agreement. If the Parties resolve any dispute through mediation and a Party fails to abide by the terms of the agreement, the other Party may use legal proceedings to enforce the agreement. Additionally, the Party taking action to enforce the agreement shall be entitled to recover from the other Party all costs incurred in enforcing the agreement, including without limitation, attorney fees and costs.

Effective date: 13th of December 2016

EXHIBIT E
COVENANT ENFORCEMENT POLICY

This Rule shall apply to any alleged violation (“violation”) of the Declaration, the Articles of Incorporation, the Bylaws and the Policies, Procedures, Rules and Regulations of the Southfork Property Owners Association (the “Association”), except and excluding non-payment of assessments or other sums, which is governed by Exhibit “A” of the policies of the Association.

1. Complaints.

- (a) Initial complaints of any violation may be presented to the Board in writing or orally by any person before or at any meeting, and shall be investigated by an “impartial decision maker” (or “IMP”) such as the Property Manager or Director(s) who will not receive a greater benefit or detriment from the outcome of a investigation than the general membership of the Association.
- (b) It is recommended that anyone observing a violation of these Covenants should notify the Association in writing or Email, and include the name and address (if known) of the person(s) in violation (the “alleged rule violator”), and the date, time, and location of the violation. Notification should include name, address and phone number of the reporting party. Reports will be handled confidentially (within reason or unless disclosure is legally required), but the Board may require such information in order to validate any necessary legal actions.
- (c) The IMP shall, in its discretion, determine whether or not the complaint shows cause for further proceedings and is empowered to send courtesy letters concerning reported violations and/or warnings of possible sanctions, fines and/or suspension of privileges, and/or issue a ‘cease and desist’ order, to the alleged rule violator. If the IMP is unable to convince the alleged rule violator that the offending practice should be ceased, then the IMP shall make a formal report to the Board. The Board shall not decide the validity of the complaint at such meeting, but rather shall notify the Member and shall set the matter for hearing at a later date (the “Notice”).

2. Notice and Scheduling Hearings.

- (a) The Board, or its officers or agents, shall serve the Notice by personal delivery, regular mail and/or certified U.S. Mail, return receipt requested, to the Member, and a copy may be sent to the alleged violator (if the name has been furnished to the Association), such as a tenant, contractor, guest or family member of the Member (the owner of the property). The Notice shall be deemed received by the Member three (3) days after mailing. The Notice may be sent to the address of record (the address shown on the Deed) if the Member has failed to register a current mailing address. The Notice may also be sent to the complaining party.

- (b) The hearing shall take place at the next regularly scheduled meeting of the Board of Directors, which is posted on the Association's website (www.southforkpoa.com), unless the Notice indicates a time and place of the hearing, and the Notice may indicate any other information regarding violation which the Board deems appropriate in its discretion.
- (c) At the hearing, the Member has the right to have the matter heard by an IMP, such that any Director who would receive a greater benefit or detriment from the outcome of a hearing than the general membership of the Association will recuse themselves from acting as decision makers during any hearing. However, if that advisement is included in the Notice, the Member must furnish a written response describing the basis for asserting that any Directors would not be an IMP.
- (d) Any written statement from the Member must be received by the Board at least 15 days before the hearing, and must be served by personal delivery or US Mail, postage prepaid, addressed to the Association in care of its registered agent, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing. Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the fifth day following the date of mailing. If the Member plans to be represented by legal counsel, the Member must give the Board at least 30 days' prior written notice. If the time requirements set forth above conflict or the Board deems appropriate in its discretion, the hearing may be re-scheduled to the next regularly scheduled meeting of the Board of Directors. Any hearing or request for hearing shall not stay the other enforcement procedures described below, unless otherwise directed by the Board of Directors.

3. Hearing.

- (a) The primary purpose of hearings before the Board is to resolve covenant enforcement matters as early as possible, without the expense of litigation. As a result, any owner or alleged violator who appears at a hearing is encouraged to discuss resolution in lieu of or in addition to the hearing. If the Board believes that the owner/violator is acting good faith and that there is a realistic chance of resolution, the Board may reschedule the hearing and attempt to use the remainder of the time that was originally scheduled for a hearing for the alternative dispute resolution described in Exhibit D. However, if at any time the Board, in its sole judgment, believes that delay will harm the interests of the Association, it may proceed with the hearing.
- (b) Hearings shall be conducted by Directors who are IMPs. As a result, any Directors who would receive a greater benefit or detriment from the outcome of a hearing than the general membership of the Association shall recuse themselves from acting as decision makers during any hearing. If disqualification of any Directors results in an even number of remaining Directors eligible to hear a case, the Presiding Officer may appoint an impartial Member in good standing to serve as a voting Director for that hearing.

- (c) Hearings shall be held in executive session because they may involve privacy and/or possible litigation issues. The Board may exclude any person other than the owner or alleged violator and witnesses, when testifying.
- (d) At the hearing, the Board may consider any written or oral information produced by the Member, the alleged violator or other interested party. Any legal or statutory rule of evidence or procedure shall not apply to the hearing, and the Board may restrict testimony or proceed in any manner or order which it deems appropriate in its discretion. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence shall be sufficient in itself to support a finding. The Board may tape record or otherwise transcribe the hearing. The Board may proceed with the hearing even if the Member fails to appear or refuses to participate or to submit information. The Member may be represented by legal counsel so long as said owner gives the Board at least 30 days' prior written notice, in which case the Board's attorney may be present as well. Any participant may question any witnesses and examine any documents presented at the hearing.
- (e) After hearing any information, witnesses, or documents presented at the hearing, the Board's decision shall be made by majority vote of the Directors present. If requested by the Member, the Board will furnish a brief summary of the decision and the sanction, if any, which may be sent by regular mail to the Member and, if requested or the Board deems it necessary, to the alleged violator. The Board may also issue and record a Notice of Finding of Violation with the County Clerk and Recorder, and release same upon satisfactory compliance with the Governing Documents.

4. Extent of Violations.

Each incident or each day of a continuing violation shall be considered a separate violation for which any maximum fine may be imposed. For example, each day during which a pet or a sign is permitted to remain is a separate violation. The Board may in its discretion impose increased fines for repeated or intentional violations.

5. Parties to Violations.

Owners of property located within the Association shall be responsible for violations committed by their contractors, guests, family members, and tenants; for example, pets kept by tenants or signs placed by real estate agents are the responsibility of the Owners. The Board may proceed against both the owner and the alleged violator, simultaneously or separately, and actions against one shall not bar action against the other. The Board may contact the police, any regulatory or licensing authorities or other third parties regarding the alleged violation, but any action or decision by those parties shall not bar the Board from proceeding.

6. Fines and Sanctions.

- (a) Any violation of the Governing Documents will subject the Owner to a reasonable fine assessment imposed by the Association. Fines for certain specific violations are set forth in the Rules and Regulations. In cases where no specific fine is listed, the fines will generally be as follows:
- First time or minor violations between \$25 and \$75
 - Repeated minor violations between \$50 and \$100
 - Repeated or flagrant violations between \$100 and \$500

In the event of a continuing violation, each day is a separate violation and a daily fine may be levied, but only if the Association's agent performs a daily inspection to verify the violation is continuing.

Fines may not exceed \$1,000.00 for any finding of violation.

- (b) This schedule is not intended to cover all possible violations and there are instances where the amount of fines may vary depending on the circumstances. The amount of the fines are intended to bear a reasonable relationship to the actual harm that is being caused; the potential risk of loss to the Association if compliance does not take place; the costs of investigative demand letters and hearings to ensure compliance; and the cost of remedial measures (if used).
- (c) Repeat offenses and/or repeat offenders will justify higher fines. Fines should also be commensurate with the time and effort of the various Directors in investigating and gathering evidence of violations, sending demand letters and conducting hearings. The above schedule is (at most) an attempt in order to ensure uniformity for routine violations.
- (d) Fines will be due and payable within thirty (30) days of the date of the imposed fine, and shall be considered delinquent after the due date. A delinquent fine will result in a lien being filed on the property for nonpayment and will bear interest at eight percent (8%) per annum, calculated from the date of the fine, as well as late fees and legal fees.
- (e) Any fine shall be both a personal obligation of the Member or the violator or both and shall also be an assessment creating a lien which may be recorded against the property that is subject to the lien (the "Lot") and may be foreclosed as provided in the Declaration. The Board may notify any lender and credit agency of such obligation and lien. Additionally, the Board may bring legal action to enforce the violated provision and to recover the fine.

- (f) Any violation shall entitle the Board to recover from the Member or violator or both, its reasonable attorneys fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted or is successfully concluded. The Board may seek to recover such fees and costs by all legal remedies, including without limitation, charging such fees and costs to the Member's account with the Association.
- (g) The Board, in its discretion, may waive fines, attorney fees, court costs, interest and other collection expenses, if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws or Rules.
- (h) The Board reserves the right to fine for first violations of Rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the above schedule, if the Board determines that the fines set forth in the schedule are not likely to provide effective incentives to induce compliance.
- (i) Payment of an assessed fine does not relieve the violator from the responsibility of correcting the violation.

7. Substantial Compliance.

Technical irregularities or defects in the complaint, Notice or other compliance with this Rule shall not invalidate the proceedings or any fine or sanction imposed. This Rule shall be liberally construed to accomplish prompt, effective enforcement of the Association's Declaration, Articles of Incorporation, Bylaws and Rules.

8. Board Resolves Questions of Construction.

If any doubt or questions shall arise concerning the true intent or meaning of any of the Covenant or these Rules, the Board shall determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect and application of the provision. These determinations will thereafter be binding on all parties so long as it is not arbitrary or capricious, and they may be filed for record with the Clerk and Recorder of El Paso County.

Effective date: 13th of December 2016

EXHIBIT F
INVESTING ASSOCIATION RESERVES

1. **Standards.** The directors and officers of an Association must meet the standards of care required for Colorado non-profit corporations when investing reserve funds. Those standards require directors and officers to act:
 - (a) in good faith;
 - (b) with the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and
 - (c) in a manner the director or officer reasonably believes to be in the best interest of the association.
2. **Reliance on Professionals.** In discharging this duty, directors and officers may rely on people who the directors or officers reasonably believe have professional or expert competence, such as property managers.
3. **Investment Procedures.** The Association's reserves are presently kept in a federally-insured savings account. In the event that the Board of Directors ever decides to change that investment method, the Board of Directors shall establish the amount to be transferred to other reserve funds on an annual basis. In that case, 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 recommended by a financial advisor pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds. All investments must be insured by FDIC, SIPC or comparable insurance.
4. **Investment Goals.** The reserve funds shall be invested to achieve the following goals, in descending order of importance:
 - (a) Promote and ensure the preservation of principal;
 - (b) Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
 - (c) Mitigate the effects of interest rate volatility upon reserve assets;
 - (d) Seek the highest level of return that is consistent with preserving the principal and accumulated interest; and
 - (e) Minimize investment costs.

5. **Investment Circumstances.** The Board of Directors may consider the following circumstances in investing reserve funds:
 - (a) General economic conditions;
 - (b) Possible effect of inflation or deflation;
 - (c) Expected tax consequences;
 - (d) Role that each investment plays in the overall investment portfolio;
 - (e) Other resources of the Association.
6. **Review of Accounts.** 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.
7. **Authority of Officers.** 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 4; and to enter into agreements, controls 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 signature of two of the aforementioned persons shall be required.
8. **Fidelity Insurance.** The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds.
9. **Monthly Statements.** 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.

Effective date: 13th of December 2016

EXHIBIT G RECORDS RULE

1. Association Records Policy.

- (a) The Southfork Property Owners Association (the “Association”) shall retain and produce to Owners the records required by C.R.S. 38-33.3-317 and 38-33.3-209.4 (the “Statutory Records Law”), as well as any other records specifically set forth in the Association’s Declaration or By-laws. The Association’s Board of Directors (“Board”) may adopt, in its discretion, a List of Association Records setting forth the records which may be available for inspection.
- (b) Owners may inspect those records as provided by the Statutory Records Law so long as the Owner is in good standing. For the purposes of this rule, “good standing” of a Owner requires that the Owner has paid all assessments and other sums due to the Association and is not in violation in any of the Association’s documents.
- (c) The right to review the Association’s records shall not include personal emails of officers and directors unless such persons authorize their use for the Association’s purpose. The right to review includes only the existing records and it does not require the Association to create documents, and the Association is not obligated to compile or synthesize any information.

2. Examination Procedure.

- (a) Subject to the exclusions and limitations set forth herein, maintained records must be available for examination and copying by unit owner or an owner’s authorized agent. These documents may be made available by posting on the Association’s website, which may be password protected to permit access only by Owners in good standing.
- (b) Owners 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 to the Association’s records custodian (currently the Secretary). The use of the attached “**Document Request Form**” is recommended as it will avoid delay, by insuring all requirements for requesting records are met (if completed properly); and it has the mandatory wording for requests made for records described in Sections 3 and 4 below.
- (c) Examination and copying times shall be limited to normal business hours (currently 9 a.m. – 5 p.m.) or the next regularly scheduled executive board meeting if the meeting occurs within thirty (30) days after submission of the request. Owners who desire to examine Association records must make a mutually acceptable appointment with the records custodian and designate the estimated amount of time requested for records examination.

- (d) The Association may impose a reasonable charge, which may be collected in advance to cover the costs of labor, including labor to use, retrieve, observe, copy and deliver records, and the cost of material for copies of Association records. Maintaining the Association Records is an important function of the Association, and in order to ensure that records are not tampered with, removed or destroyed, an agent of the Association or other person designated by the Board may remain present while Owners examine Association records and the Association may charge for any labor of such individual.
- (e) The Owner shall not remove any document from the Association's records, nor shall the Owner remove records from the Association's place of business. Certain records may be copied, at the Owner's expense. During an inspection, the Owner may designate such records for copying by use of tab, clip, or Post-It note upon the pages desired, but may not otherwise alter the records (for example, no folding, pencil or pen marks, etc.). The custodian, on behalf of the Association, will make the copies.
- (f) Reasonable effort will be made to accommodate the Owner within a reasonable period of time. If possible, the custodian shall make an appointment with the Owner at a place and a time convenient to both parties to conduct the inspection. All appointments for inspection will be limited to one (1) hour unless otherwise agreed by the board member; if additional time is needed, additional appointments will be made.
- (g) All persons inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the normal operation of the place where the inspection or copying is taking place.
- (h) Copies should be available within ten (10) working days of receipt of the request, unless the condition or voluminous nature of the records makes this time frame impractical. In such cases, the copies should be made available as soon as is practical.
- (i) Depending on the number of pages requested, the records custodian may request that the Owner return at a later date to pick up the requested copies, in order to allow personnel to set aside time to reproduce the documentation requested.
- (j) A right to copy records under this Rule includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by the Owner. Any applicable charges shall be collected in advance.
- (k) All persons inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the operation of the normal location where the inspection or copying is taking place.

3. Records that may be withheld from inspection and copying.

The following records may be withheld to the extent that they are (or may concern) the following:

- (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 in or under negotiation;
- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- (d) Disclosure of information in violation of law;
- (e) Records of an executive session of an executive board; or
- (f) Records of individual properties other than those of the requesting owner.

4. Limitations as to use of membership list.

No membership list may be obtained or used for any of the following purposes without written consent of the executive board:

- (i) For a purpose unrelated to a unit owner's interest as a unit owner;
- (ii) For the purpose to solicit money or property unless such money or property will be used solely to solicit votes of the unit owners in an election to be held by the Association;
- (iii) For any commercial purpose; or
- (iv) For sale to or purchase by any person.

5. Records that must be withheld.

The following records are not subject to inspection or copying:

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

6. **Document Request Form.**

It is the obligation of every Owner to hold all information requested pursuant to Sections 3 and 4 above in appropriate confidentiality so that information is not released to other parties or misused by others. As a result, any Owner requesting an ownership list or records that may be withheld must furnish a sworn statement to verify:

- (1) that he/she will not use the list for the purposes stated in Subparagraph ii through iv of Paragraph (a) of Section 4 above; and
- (2) that in the event any information described in Section 3 above is requested and is used for any improper purpose, he/she will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

7. **Seller Disclosures.**

- (a) Upon written request complying with this Rule, an Owner who is selling his/her unit shall either provide to the buyer or authorize the Association to provide to the buyer, upon payment in advance of the Association's usual fee pursuant to C.R.S. 38-33.3-317(4), all of the Association's governing documents and financial documents, required by the most recent available version of the Contract to Buy and Sell Real Estate promulgated by the Colorado Real Estate Commission as of the date of the contract.
- (b) To request written copies of the above records, the Owner or the Owner's agent must follow the rules and procedures listed under Section 2 above, and must pay in advance the copying charges described in Section 2(e) above. If records are available on a website, the Owner or Owner's agent should use that website to obtain the records.
- (c) Furthermore, the Owner has the responsibility to obtain from the buyer a signed acknowledgement of receipt of the required information and disclosure statement. The Owner is then responsible for delivering the signed acknowledgement to the Association as soon as possible after it is acquired. *The Association uses reasonable efforts to provide copies, but shall have no liability for the information provided, nor for compliance with any deadlines or other contractual requirements.*

8. **Enforcement of Rule.**

- (a) Any violation of this Rule shall cause the immediate suspension of the inspection or copying until the violator agrees in writing to comply with this Rule, as well as other remedies such as fines. The Board or its representatives may take any available legal action to enforce this Rule.

- (b) The Association will not honor any requests for inspection or copying that do not comply with this Rule, but the Association may send a written notice to the person who made the request indicating the nature of any noncompliance. Anyone who receives an oral request for inspection or copying should refer the person making the request to this Rule, and the Association or its representatives will have no further obligation to respond until it receives a proper written request.
- (c) The Board shall be entitled to resolve any dispute regarding the Association's records based upon the Board's reasonable business judgment.
- (d) **The Association shall not be liable for the disclosure or copying of any records which are required to be provided by statute or judicial proceeding. The Association does not warrant or represent the accuracy, completeness, or any other matter in the records provided.**
- (e) The Board may, in its discretion, adopt a records retention and/or deletion procedure for any and all records, except as otherwise restricted by law.

Effective date: 13th of December 2016

**LIST OF ASSOCIATION RECORDS
FOR POSSIBLE EXAMINATION AND COPYING**

The following Association records may be available for examination and copying to the extent in existence and control by the Association, and in compliance with the Association's Records Rule:

1. Declaration of Covenants, Conditions and Restrictions of the Association (the "Declaration"), which shall include the recording date and recording number of the Declaration;
2. Articles of Incorporation;
3. Bylaws;
4. Policies, Procedures, Rules and Regulations, and Resolutions adopted by the Association under C.R.S. 38-33.3-209.5 and other Rules or Policies, relating to the characteristics, qualifications, rights, limitations, and obligations of Members.
5. Detailed records of receipts and expenditures affecting the operation and administration of the Association;
6. Records of claims for construction defects and amounts received pursuant to settlement of those claims;
7. Minutes of all meetings of its Owners and the Board, a record of all actions taken by the Owners or the Board without a meeting, and a record of all actions taken by any committee of the Board;
8. Written communications among, and the votes cast by, Board Members that are directly related to an action taken by the Board without a meeting pursuant to Section 7-128-202, C.R.S. or directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws;
9. The names of the 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;
10. Financial statements as described in Section 7-136-106, C.R.S., for the current and past three fiscal years and tax returns of the Association for the past seven years, to the extent available;
11. A list of the names, electronic mail addresses, and physical mailing addresses of its current Board Members and Officers;
12. Association's most recent annual report delivered to the Secretary of State, if any;
13. Financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316 (8) concerning statements of unpaid assessments;
14. The Association's most recent reserve study, if any;
15. Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
16. Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
17. Ballots, proxies, and other records related to voting by Owners for a minimum of one year after the election, action, or vote to which they relate;
18. Resolutions adopted by its Board relating to the characteristics, qualifications, rights limitations, and obligations of members or any class or category of members;
19. All written communications within the past three years to all Owners generally as Owners;
20. The date of the Associations' fiscal year;
21. The Association's operating budget for the current fiscal year;
22. A list (organized by unit type) of the Association's current regular and special assessments;
23. The results of any financial audit or review for the immediately preceding fiscal year;
24. A list of all Association insurance policies; and
25. The name, address and phone number of the Association and its managing agent, if any.

Document Request Form

Name of Requesting Owner: _____

Requested Date and Time for Examination: _____

Unit Address: _____

Daytime Phone: _____ Email: _____

Check here if you want to examine documents and then list those documents:

Check here if you are requesting copies of specific documents that you want the HOA to locate (rather than searching the documents yourself); and list the requested documents:

Pursuant to Colorado State Law and the Association’s procedure regarding member access, inspection and copying of the Association’s documents, I agree to pay in advance the cost of copying and labor, as set by the Association’s records custodian. Payment must be received at time of examination, paid by certified funds or money order (no cash). I further agree that if the cost exceeds the estimate I will pay the additional charges at the time of inspection or prior to copying and delivery of records. _____ (initial)

I understand that examination of books and records of this Association will be made available during normal business hours in accordance with state law at a time and place designated by the Association. I estimate that the inspection will require _____ hours. I understand that this Document Request Form must be submitted at least ten (10) days prior to inspection. I understand that I will pay as noted above, the labor costs for retrieving, copying and/or witnessing the examination of books and records of this Association.

I agree that I am solely responsible for any legal liability or damages arising from or relating to my use of the information; and that the Association assumes no liability or responsibility for the information provided, nor its use or misuse, and that the Association does not warrant or represent the accuracy, completeness, or any other matter in the materials provided. _____ (initial)

If a request is made herein for records described in Sections 3 or 4 of the Records Rule, my reason for requesting that information is as follows: _____

By my separate signature, I certify that my request for the membership list of the Association is for a purpose related to my ownership in the Association, and that this request is not for commercial purposes or for any solicitation of money or property, except for solicitation of money or property to be used solely to solicit votes of the owners in an election to be held by the HOA; and this list shall not be sold to or purchased by any person.

_____ (Signature)

By my separate signature, I agree that any information described in Sections 3 or 4 of the Records Rule shall not be used in violation of that Rule, and I agree to indemnify the Association from any claims or expenses resulting from the use of such information, in the event the records provided to me by the Association are used in violation of this Form; in such case, 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.

_____ (Signature)

Signature of Requesting Owner: _____ Date: _____

EXHIBIT H
RULEMAKING PROCEDURE

1. Authority. The Board of Directors of Southfork Property Owners Association (the “Association”) shall have the authority to adopt policies, procedures and rules (hereinafter collectively referred to as “rules”) to the extent they do not conflict with the Declaration, Articles of Incorporation, and Bylaws of the Association in order to interpret, supplement and/or enforce said governing documents, or to comply with the CCIOA.
2. Board Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intent or meaning of any of those governing documents the Board of Directors (the “Board”) shall determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect and application of the provision. These determinations will thereafter be binding on all parties so long as it is not arbitrary or capricious, and they may be filed for record with the Clerk and Recorder of El Paso County.
3. Open Meetings. The Board shall adopt rules at Board meetings which are open to attendance by owners. The Board shall take comments from the members in public session; the Board may then go into executive session as part of the deliberation process, but the Board must come back into open meeting for the final vote to adopt a Rule or policy.
4. Notice to Membership. In any case where the Board is adopting a new or amended rule, the Board shall give notice to the members by posting on the website and by sending mail or email notice; and the Board shall announce same in the Association’s newsletter, or by mail or hand delivery to the units. Any Owner who desires any amendment or the adoption of a rule should submit the request in writing to the Board, and the Board may proceed as it determines to be in the best interest of the Association.

Effective date: 13th of December 2016