

Responsible Governance Policies of Stapleton Business Plaza Condominium Association, Inc ("Association")

These Policies are adopted with the intent of complying with all requirements of the Colorado Common Interest Ownership Act, C.R.S., Section 38-33.3-101 *et seq.* as amended through June 30, 2017. To the extent that these Policies do not comply with said statute, they are deemed amended to comply with the statute.

Collection Policy

"Assessments" shall include regular assessments of any kind and special assessments and any associated fees, charges, late charges, attorneys' fees, fines and interest and any fines levied in accordance with the Association's Policy on Fines.

Assessments are due on the **first day of each month**. A grace period of **ten (10) days** is allowed before late fees and interest charges are added to the account. After the end of the grace period, a **one-time late fee of 10% and interest charges of 18% per annum (1.5%/month)** are added to all outstanding balances.

Any Assessments which are paid before or after the grace period shall be applied first to any costs and expenses of collection, including attorneys' fees and costs, second to any late fees or interest charges incurred until the date of collection, third to any fines owed and last to any other amounts owed by an owner to the Association.

If an owner has not paid all amounts due to the Association prior to the end of the grace period, a notice ("First Notice") shall be sent to the owner after the end of the grace period setting forth the following: an itemized list of amounts due and the method in which this was determined; whether the opportunity for a payment plan pursuant to Colorado Statute exists, the name and contact information of the **individual** who the owner may contact to request a copy of the owner's ledger in order to verify the amount of the debt, the action that is required to cure the delinquency and that the failure to do so within thirty days after the date of the letter may result in the owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and/or foreclosure of a lien against owner's property or any other remedies allowed by Colorado law. In addition, said First Notice shall include the following statement:

"Pursuant to Colorado Statute, the Association is required to make a good faith effort to set up a payment plan with the owner. The Association will agree to accept equal installments of the delinquent amount due over a six month period from the date of signing of a payment plan agreement. During the continuance of a payment plan, the owner must also make all current payments due to the Association. No

non-occupant owner who took title to the property as a result of a default on a security interest encumbering the owner's property or as a result of a foreclosure on an Association lien shall be entitled to take advantage of a payment plan. No owner who has previously entered into a payment plan with the Association pursuant to Section 38-33.3-316.3(1)(b) shall be entitled to enter into another payment plan."

After delivery of the First Notice and pursuant to Colorado Statute, the Association will make a good faith effort to set up a payment plan with the owner during the thirty days after the First Notice. The Association will agree to accept equal installments of the delinquent amount due over a six month period from the date of signing of a payment plan agreement. During the continuance of a payment plan, the owner must also make all current payments due to the Association. If the delinquent amounts owed are not paid as provided in the payment plan along with all other current amounts due, the Association may immediately pursue legal action against an owner.

No non-occupant owner who takes as a result of a default on a security interest encumbering the owner's property or as a result of a foreclosure on an Association lien shall be entitled to take advantage of a payment plan. No owner who has previously entered into a payment plan with the Association pursuant to Section 38-33.3-316.3(1)(b) shall be entitled to enter into another payment plan.

If, thirty days after the First Notice is sent, payment in full has not been received by the Association, a payment plan has not been executed by the owner, owner has defaulted on the payment plan or current assessments have not been timely paid, an additional notice ("Second Notice") shall be sent to the owner. The Second Notice shall include a current accounting of the amounts owed (including any attorneys' fees or costs incurred in preparing and sending the Second Notice) and allow fifteen days for the owner to pay the delinquent amounts in full.

If payment in full is not made within fifteen days after the date of the Second Notice, the Association may record a notice of its lien amount against the property of the owner with the County Clerk and Recorder. At the end of said fifteen day period, the Association may also turn the account over to a collection entity, file a lawsuit against the owner personally to collect the amounts owed, bring a foreclosure action upon the lien on the owner's property in the manner of foreclosure of a mortgage on real estate (but only if the amount owed equals or exceeds six months of common expense assessment based upon a periodic budget adopted by the Association and only if the Board has formally resolved, by recorded vote, to authorize the filing of a foreclosure) or such other remedies as are allowed by Colorado law.

All attorneys' fees and costs incurred in collecting delinquent amounts shall be paid by the owner, whether or not suit is ever filed.

Policy for Conflicts of Interest

The Directors and all Association appointed committee members shall follow the statutory conflicting interest transaction policy set forth in Section 7-128-501 of Colorado Revised Statutes unless there is a stricter rule found in the Declaration, Bylaws or other governing documents of the Association or adopted by the Association. All conflicting interest transactions shall be disclosed to the Board or committee on which said Director or committee member sits and whether the Director or committee member must recuse him/herself from discussing or voting on the matter. This policy shall be reviewed by the Board every five years.

Policy for Conduct of Meetings

All meetings of the Board of Directors, committees of the Board and any meeting of the Association's owners shall be open to attendance by all owners or their representatives.

All meetings shall be conducted in a courteous manner to all present. The chair of any meeting may enforce the policy set forth in this Policy for Conduct of Meetings or make rulings on other matters of a procedural nature, subject to being overruled by a majority of the Board or committee members present.

Minutes are part of the Association's permanent records. Minutes shall be kept of all Board, committee and owner meetings, except that minutes of a Board or committee executive session shall indicate only that an executive session was held and the general subject matter of the executive session.

The Board or any committee of the Board may meet in executive session to discuss matters enumerated in Colorado Revised Statutes Section 38.33.3- 308(3) and (4). Prior to the time the members of the Board or committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion. Neither the Board nor any committee thereof may adopt any rule or regulation during an executive session. A rule or regulation may be adopted only during a regular or special meeting after the body goes back into regular session following an executive session.

Meetings shall be run by the chair thereof. The agenda order may be modified by the chair for the convenience of the Board or owners present. Meetings shall be run on an informal basis whenever possible. When necessary, meetings shall be run according to Robert's Rules of Order, Newly Revised, except where such rules are in conflict with law or the Declaration, Articles or Bylaws of the Association, as amended.

The Board or any committees of the Board shall whenever possible have the date, time, and location of all meetings on the Association's web site, if any. Meeting agendas shall be made reasonably available for review by all members or their representatives by posting on the Association's web site, if any, and by copies made available at the meetings.

At Board or committee meetings, time limits and number of persons allowed to speak shall be set by the Board or committee in its reasonable discretion. An owner may comment on more than one issue as long as s/he doesn't exceed the reasonable time limit set by the Board.

Notices of meetings of **owners** shall be hand delivered, emailed or mailed by first class mail to all owners not less than 10 nor more than 50 days prior to any meeting of owners. Notice shall also be posted on the Association's web site, if any, and shall give the date, time and place of the meetings, items on the agenda and the general nature of proposed amendments to the Declaration, Articles, Bylaws or Rules and Regulations. The notice shall also state the general nature of any budget changes and any attempt to remove an officer or Director.

Before each owner meeting, owners may sign up to speak. Each owner shall be allotted up to five minutes to speak during the course of any owner meeting. If the number of persons wishing to speak during the owner meeting exceeds five, the chair of the meeting may reduce the time allotted to each speaker in his/her discretion.

At the beginning of meetings of owners, the Board, or any committee thereof, time will be set aside for comments and questions on non-agenda items from Association owners in good standing or their representatives. Owner comment with respect to specific items on the meeting agenda shall be taken during discussion of that item. A reasonable number of persons shall be allowed to speak on each side of an issue.

Policy for Enforcement of Declaration, Articles, Bylaws and Rules and Regulations

If at any time an owner or other person is alleged to have violated any Association Declaration, Articles, Bylaws and/or Rules and Regulations to which they are subject ("a Violation"), the Board shall discuss such Violation at its next regular or special meeting. Said Violation shall be included on the agenda for the meeting. The owner or other person who is alleged to have committed the Violation shall be given written notice that the alleged Violation will be discussed at a meeting of the Board along with the date, place and time of the meeting. If the owner or other person may be subject to fines for the Violation, said fines may be imposed only pursuant to the Policy on Fines. At the meeting, the Board shall receive information from any other owner or the Manager concerning the alleged Violation. The owner or other person shall be allowed a reasonable time,

not to exceed fifteen minutes, to present any testimony or evidence. The Board, by majority vote of a quorum present, shall make a decision to either compromise with the owner or other person, agree with the owner or other person and drop the issue or proceed to enforce the Declaration, Articles, Bylaws and/or Rules and Regulations (or, if allowed, impose a fine) by legal proceedings or other action as may be allowed by the Declaration, Articles, Bylaws and/or Rules and Regulations or by Colorado law.

Policy on Fines

The Board may levy reasonable fines for violations of the Declaration, Articles, Bylaws or Rules and Regulations. Fines shall be levied pursuant to a written schedule adopted by the Board at a regular or special meeting of the Board. The procedure for levying fines is set forth in the Policy for Enforcement of the Declaration, Articles, Bylaws and/or Rules and Regulations.

Policy on Association Records—Retention and Owner Inspection

The following records shall be maintained by the Association at its principal place of business for review and copying by owners or their representatives: operating budget for the current fiscal year; a list, by unit type, of the Association's current assessments, including both regular and special assessments; the Association's annual financial statements, including any amounts held in reserve; the results of its most recent available financial audit or review; a list of all Association insurance policies, including, but not limited to, property, general liability, association directors and officers professional liability, and fidelity policies (such list shall include the company names, policy limits, policy deductibles, additional named insured's, and expiration dates of the policies listed); detailed records of receipts and expenditures affecting the operation and administration of the Association; records of claims for construction defects and amounts received pursuant to settlement of those claims; minutes of all meetings of owners, the Board and all committees of the Board and a record of all actions taken by the owners, Board or committee without a meeting; a record of all waivers of meeting notices of Association owners, Directors, or committee members; 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.; 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; the Association's Declaration, Bylaws, Organizational Documents, Rules and Regulations, Responsible Governance Policies and other policies adopted by the Board; financial statements as described in section 7-136-106, C.R.S., for the past three years; tax returns of the Association for the past seven years; the date on which the Association's fiscal year commences; a list of the names, electronic mail addresses, and physical mailing addresses of its current Board members and officers; the Association's most recent periodic report delivered to the

Secretary of State; financial records sufficiently detailed to enable the Association to comply with section 38-33.3-316 (8) concerning statements of unpaid Assessments; the Association's most recent reserve study, if any; current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years; records of actions to approve or deny any requests for design or architectural approval from owners; ballots, proxies and other records related to voting by owners for one year after the election, action or vote to which they relate; and all written communications within the past three years to all owners generally as owners.

Records maintained by the Association may be withheld from inspection and copying to the extent that they are or concern: architectural drawings, plans and designs, unless released upon the written consent of the legal owner of the drawings, plans or designs, contracts, leases, bids or records related to transactions to purchase or provide goods or services that are currently under negotiation.

The Association shall not disclose information in violation of law; records of an executive session of the Board or about individual property other than those of the requesting owner; personnel, salary or medical records relating to specific individuals; personal identification and account information of members, including bank account information, telephone numbers (unless permitted in writing by owner), electronic mail addresses (unless permitted in writing by owner), driver's license numbers and social security numbers and communications with legal counsel that are others wise protected by the attorney-client privilege or the attorney work product doctrine.

A membership list provided by the Association may not be used to solicit money or property unless said money or property is used solely to solicit votes of other members in an election held by the Association nor shall any such membership list be used for commercial purposes or sold to or purchased by any person.

All financial and other records of the Association listed above, the Declaration, Articles, Bylaws and/or Rules and Regulations shall be available to owners during normal business hours, on ten days' notice, for examination and copying by any owner or their representative. 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. The charge may not exceed the estimated cost of production of reproduction of the records.

Policy on Board Member Information

Notwithstanding any provision of the Declaration or Bylaws to the contrary, all Directors shall have available to them all information related to the responsibilities and operation of the Association which is obtained by any other Director. This information shall include, but not be limited to, reports of detailed monthly expenditures, contracts to which the Association is a party

and copies of communications, reports and opinions to and from any Director or any managing agent, attorney or accountant to whom the Board delegates responsibility.

Policy on Notice to Association Owners

Within 90 days after any change in the name, address or telephone number of the Association, any change in the name, address or telephone number of any management agent for the Association or any amendment of the Declaration, a notice shall be mailed to all Association on the attached form.

Policy on Owner Education

The Association shall, at least annually, provide education, at no cost to its owners, on the general operations of the Association and the rights and responsibilities of owners, the Association and the Board under Colorado law. The criteria for compliance shall be determined by the Board.

Policy on Dispute Resolution

Except as specifically provided elsewhere in these Responsible Governance Policies or the Rules and Regulations of the Association, if any dispute arises between the Association and any owner, the Board or the committee (such as any architectural review committee) with which the owner is having a dispute shall review any written or oral comments of the owner regarding the dispute and any comments from other owners, interested parties, the Board or staff. Thereafter at the next public meeting of the Board or committee, the Board or committee shall make a decision as to how to proceed by majority vote of those present. If the owner disagrees with the decision made, the owner may provide additional information and ask for the decision to be reconsidered at the next meeting of the body which made the decision. After reconsideration, and if the Board or committee and the owner are not in agreement, the owner must comply with the decision of the Board or committee or bring a judicial action to overturn the decision of the Board or committee. If the owner does not comply within a reasonable time period, the Board may take action, judicial or as otherwise authorized by law or the Declaration, to enforce the decision of the Board or any committee thereof. This dispute resolution policy shall not be seen as creating any right to appeal any decision of a committee of the Board to the Board which right is not otherwise provided for by the Declaration, Articles, Bylaws and/or Rules and Regulations.

Reserve Study and Funding Policy

The Association, at such time as the Board shall, in its sole business judgment, determine that this is necessary, have prepared a reserve study for the portions of the common areas and limited common areas maintained, repaired, replaced and improved by the Association. Partial updates

and changes may be made at the discretion of the Board. This study may be made by members of the Association or professionals, in the discretion of the Board. An internally conducted reserve study shall be sufficient.

The Association does or will have a funding plan for work recommended by any reserve study and the sources of funds to perform any work which may include, among other things, current assessments, regular assessments, additional assessments, special assessments, a reserve fund into which deposits have been made, operating surpluses from previous years, borrowing or any other source of funding. Funding may be made through a pre-funded reserve fund or assessment or special assessment at the time of the necessary work. Funding sources may be changed at the discretion of the Board. Different work may be funded in different manners or in several different manners.

Any reserve study will be based upon both a physical and financial analysis.

Policy on Investment of Reserve Funds

Reserve Funds of the Association which may be needed in the near future may be kept in checking account(s) or money market fund(s) fully guaranteed by the U.S. Government or an agency thereof. Reserve Funds not needed in the near future may be invested in certificates of deposit or other funds or investments which are fully guaranteed by the U.S. Government or an agency thereof. The investment of Reserve Funds in other types of funds or investments must be specifically approved by the Board acting at a general or special meeting, the agenda of which indicates that investments other than those set forth above will be considered.

Procedures for the Adoption and Amendment of Policies, Procedures and Rules

When a need for a new policy, procedure or rule or an amendment to an existing policy, procedure or rule is identified, the Board chair shall direct the Association's legal counsel, manager or another Board member to draft the proposed new or revised policy, procedure or rule.

The draft policy, procedure or rule shall be placed on a Board agenda along with a summary thereof for review at a regular or special Board meeting. Copies of the proposed policy, procedure or rule shall be made available to any Association owner or their representative prior to or at the Board meeting. Comments may be communicated in writing prior to the meeting or at the designated time during the Board meeting. The Board shall vote to approve or disapprove the final policy, procedure or rule or amendment thereto by a majority vote of a quorum. Upon adoption, the policy, procedure or rule shall be kept with other Board policies and procedures.

Policy on Budget Approval

Within ninety days after adoption by the Board of any proposed budget for the Association the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the owners and shall set a date for a meeting of the owners to consider the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary. The Board shall give notice to the owners of the meeting pursuant to the Policy on Conduct of Meetings. The budget proposed by the Board does not require approval from the owners and it will be deemed approved by the owners in the absence of a veto at the noticed meeting by a majority of all owners. In the event that the proposed budget is vetoed, the periodic budget last proposed by the Board and not vetoed by the owners must be continued until a subsequent budget proposed by the Board is not vetoed by the owners.

Policy on Secret Ballots

Votes for contested positions on the Board shall be taken by secret ballot. At the discretion of the Board or upon the request of twenty percent of the owners who are present at a meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all owners are entitled to vote shall be by secret ballot.

Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be owners who are 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. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates.

The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of owners participating in such vote.

Policy on Statutory Compliance

In order to comply with Colorado Revised Statutes, Sections 38-33.3-106.5, 38-33.3-106.7 and 38-33.3-106.8, notwithstanding anything in the Declaration, Articles, Bylaws or Rules and Regulations to the contrary, the Association shall not prohibit the following actions taken by owners.

The display of the American flag on an owner's property, in a window, or on a balcony adjoining the owner's property if the American flag is displayed in a manner consistent with the federal flag code. The Association rules may regulate the location and size of flags and flagpoles, but shall not prohibit the installation of a flag or flagpole.

The display, on the owner's property or the inside of a door or window of the owner's property, of a service flag bearing a star denoting the service of the owner or occupant of the property, or of a member of the owner's or occupant's immediate family, in the active or reserve military service of the United States during a time of war or armed conflict. The Association may adopt reasonable rules regarding the size and manner of display of service flags; except that the minimum dimensions allowed shall be not less than nine inches by sixteen inches.

The display of a political sign by the owner or occupant of property except that the Association may prohibit the display of political signs earlier than forty-five days before the day of an election and later than seven days after an election day and the Association may regulate the size and number of political signs. The Association shall permit at least one political sign per political office or ballot issue that is contested in a pending election. The maximum dimensions of each sign may be limited to thirty-six inches by forty-eight inches.

The parking of a motor vehicle by the occupant of a unit on a street, driveway, or guest parking area in the common interest community if the vehicle is required to be available at designated periods at such occupant's residence as a condition of the occupants' employment and the vehicle has a gross vehicle weight rating of ten thousand pounds or less; the occupant is a bona fide member of a volunteer fire department or is employed by a primary provider of emergency fire-fighting, law enforcement, ambulance, or emergency medical service; the vehicle bears an official emblem or other visible designation of the emergency service provider and parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other owners or occupants to use streets, driveways and guest parking spaces within the Association.

The removal by an owner of trees, shrubs, or other vegetation to create defensible space around a dwelling for fire mitigation purposes, so long as such removal complies with a written defensible space plan created for the property by the Colorado state forest service, an individual or company certified by a local government entity to create such a plan, or the fire chief, fire marshal, or fire

protection district within whose jurisdiction the property is located, and is no more extensive than necessary to comply with such plan. The plan shall be registered with the Association before the commencement of work. The Association may require changes to the plan if the Association obtains the consent of the person, official, or agency that originally created the plan. The work shall comply with applicable Association standards regarding slash removal, stump height, re-vegetation and contractor regulations

Reasonable modifications of an owner's property or to common elements as necessary to afford a person with disabilities full use and enjoyment of the owner's property or the common elements in accordance with the federal "Fair Housing Act of 1968."

The use of xeriscape or drought-tolerant vegetative landscapes to provide ground covering to property owned by the owner.

The Association shall not effectively prohibit the installation or use of an energy efficiency measure. The Association may impose reasonable aesthetic provisions that govern the dimensions, placement, or external appearance of an energy efficiency measure. The Association may condition its consent on those items set forth in Sections 38-33.3-106.5, 38-33.3-106.7 and 38-30-168 of Colorado Revised Statutes.

The Association shall not prohibit a unit owner from using, or installing at the owner's expense for the owner's own use, a level 1 or level 2 electric vehicle charging system on or in the owner's property. The owner may place an electric vehicle charging system on common areas or limited common areas but the Association may require reimbursement for the actual cost C.R.S., Section 38-33.3-106.8.

Notice to
Association Owners of Change in
Association or Management Information

The Name of the Association: Stapleton Business Plaza Condominium Association, Inc.

Physical Address of Association: c/o K3 Management Services
7200 E Dry Creek Road, STE G202
Centennial, CO 80112

Telephone No. of Association: 303-798-0054

Name of Management Agent (If any): K3 Management Services

Physical Address of Management Agent: See Above

Telephone No. of Management Agent: See Above

Management Agent License No.: ENT2454

Name of Common Interest Community: Stapleton Business Plaza
(from Declaration)

Date of recording of Declaration: 10/03/2003

Reception No., Book and Page where Declaration recorded: Reception# 2003208777

Amendments to Declaration: First Amendment to Declarations – Reception# 2004129322; Second Amendment to Declarations – Reception# 2010100946; Third Amendment to Declarations – Reception# 2014087491

The public disclosures and documents required to be available to owners under Colorado Revised Statutes Sections 38-33.3-209.4(2) and 38-33.3-317 are available at K3 Management Services, 7200 E Dry Creek Road, STE G202, Centennial, CO 80112 and may be copied at that location.