FAIRWAY CONDOMINIUMS ASSOCIATION

<u>REGULATIONS</u>
<u>Revised 2025</u>

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Fairway Condominium Association, a Colorado nonprofit corporation (the "Association"), for the purpose of complying with C.R.S. § 38-33.3-209.5 and pursuant to the power and authority granted to the Board of Directors under the Covenants, hereby adopts the following rules, regulations, policies, and procedures (the "Regulations"). Unless otherwise defined herein, terms defined in the Condominium Declaration for Fairway Condominiums as recorded in the real property records of Gunnison County, Colorado at reception number 352652 (as amended and supplemented, the "Covenants"), and the Association's Articles of Incorporation (the "Articles") and the Association's bylaws, as amended (the "Bylaws") shall have the same meaning herein. In the event of any conflict between the Covenants, Articles and/or Bylaws, the Covenants shall control. The Covenants, Articles, Bylaws and these rules, regulations, policies and procedures shall hereafter be collectively referred to as the "Governing Documents." These rules, regulations, policies, and procedures supersede and replace all prior rules, regulations, policies, and procedures.

Article 1: Collection of Unpaid Assessments – C.R.S. § 38-33.3-209.5(1)(b)(I) and C.R.S. § 38-33.3-209.5(5)(a):

1. Unless otherwise stated in the notice for an assessment and except for regular monthly assessments, which shall be due on the 10th of each month, all assessments are due within 30 days of the date of notice for such assessment. Regular monthly assessments shall be delinquent if not paid by the 10th of the month for which the assessment is made. All other assessments not paid within 30 days of the due date for such assessment are delinquent.

2. Interest on delinquent assessments, including recovery of attorneys' fees incurred in pursuing delinquent assessments, is 8% per annum from the date the assessments became delinquent, which shall be charged at the rate of 0.67% per month. A unit owner who fails to timely pay the monthly installment of the annual assessment will pay a $10.00 dollar late fee charge.

3. The Association charges a $75.00 returned check charge.

4. 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 must: (i) fully comply with all notice and other requirements of C.R.S. § 38-33.3-209.5, and (ii) specifically, but without limitation, send the Owner a notice of delinquency. All notices of delinquency by the Association for unpaid assessments, fines, fees or charges must be sent by certified mail, return receipt requested written in English and in any language that the Owner has indicated a preference for correspondence and notices pursuant to C.R.S. § 38-33.3-209.5(1.7)(a)(I) and must:

    A. Specify whether the delinquency concerns unpaid assessments; unpaid fines, fees or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Owner that unpaid assessments may lead to foreclosure;

B. Include a description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the cure process set forth in subsection (1.7)(b) of C.R.S. § 38-33.3-209.5, which is the Association's cure process.
C. Include a description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to small claims court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the declaration, bylaws, covenants, or other governing documents of the Association.
D. Include the total amount due, with an accounting of how the total was determined.
E. Include a statement of whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan.
F. Include the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.
G. Include a statement that action is required to cure the delinquency and that failure to do so within thirty 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 and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

5. In accordance with C.R.S. § 38-33.3-316.3, a delinquent Owner may be eligible to enter into a payment plan, but not where:
   A. The Owner does not occupy the Owner's lot and has acquired the Owner's lot as a result of a default of a security interest encumbering the lot or foreclosure of a lien by the Association; or
   B. The Owner has previously entered into a payment plan with the Association; or
   C. The Association informs the delinquent Owner of the potential for a payment plan and the delinquent Owner does not agree to pay in accordance with the terms of the offered payment plan within 30 days of the Association informing the delinquent Owner of the potential for a payment plan and the terms of any such payment plan. The Association is under no obligation to negotiate or provide an opportunity for a payment plan of a greater duration than eighteen months as provided below.

6. Any payment plan shall permit the delinquent Owner to pay off the deficiency in equal installments over a period of at least eighteen months. The Owner may choose the amount to be paid each month, so long as each payment must be in an amount of at least $25.00 dollars until the balance of the amount owed is less than $25.00. The Board of Directors of the Association, in its sole discretion, may determine whether a payment plan should exceed eighteen months in duration, and no Owner shall have any right to demand or request a payment plan for in excess of eighteen months. An Owner's failure to remit payment of three or more agreed-upon installments, or to remain current with regular assessments as they come due during the payment plan, constitutes a failure to comply with the terms of his or her payment plan.

7. Payments on a delinquent account of an Owner are applied first to unpaid assessments, with the oldest paid first, and then attorney fees and costs that the Owner is responsible for, then late charges, then return check charges, and then interest.

8. Unpaid assessments will be collected through enforcement of all rights, procedures and remedies under the Covenants in accordance with the remaining Governing Documents and applicable law. These rights, procedures and remedies may include the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, obtaining and foreclosing a judgment against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law. Delinquent Owners will be liable for all costs of collection, including without limitation attorneys' fees and court costs.

Article 2: Handling of Conflicts of Interest Involving Board Members – C.R.S. § 38-33.3-209.5(1)(b)(II)

1. Pursuant to C.R.S. § 7-128-501, C.R.S. § 38-33.3-310.5, and C.R.S. § 38-33.3-209.5(4):

   A. A "conflicting interest transaction" means: A contract, transaction, or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to a director, or between the nonprofit corporation and an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest.

   B. No loans shall be made by the Association to its directors or officers.

   C. A director shall disclose any conflicting interest transaction or possibility thereof by disclosing to the Board of Directors in an open meeting prior to any action being taken to which the conflict of interest relates the material facts as to the director's relationship or interest and as to the conflicting interest transaction.

   D. A board member must recuse himself or herself from discussing or voting on any issue for which a conflicting interest transaction exists or is proposed.

   E. The Board of Directors may authorize, approve or ratify the conflicting interest transaction duly disclosed in accordance with C.R.S. § 7-128-501.

   F. There shall be a periodic review of the Association's conflict of interest policies, procedures, and rules and regulations.

Article 3: Conduct of Meetings – C.R.S. § 38-33.3-209.5(1)(b)(III)

1. Annual and special meetings of the Association and meetings of the Board of Directors shall be held in accordance with, and upon such notice as required by, Colorado law and the Governing Documents. The conduct of all meetings shall be in accordance with the Governing Documents and Colorado law. To the extent not otherwise provided by the

Governing Documents and Colorado law, it shall be the policy of the Association that all Owners shall be provided a reasonable opportunity to speak and be heard at annual and special meetings of the Association and, where the interests of efficiency and an orderly and prompt meeting do not dictate otherwise as determined in the sole discretion of the Board of Directors, at meetings of the Board of Directors.

2. To the extent not otherwise provided for by the Governing Documents and applicable law, meetings shall be conducted by the taking of a motion, receiving a second, a call for any further discussion, and then calling the vote. A motion may be amended upon the consent of the person that made the motion and the person that made the second prior to the taking of the vote. Any objection to the conduct of a meeting must specify the failure to comply with the Governing Documents or applicable law, explain how such failure may be remedied, and be raised at the time of such alleged non-compliance.

Article 4: Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines – C.R.S. § 38-33.3-209.5(1)(b)(III)

1. Any violation of any Governing Document by any guest, invitee, agent, family member or employee or contractor of an Owner shall be deemed to be a violation committed by such Owner.

2. All enforcement procedures shall comply with the Governing Documents and any applicable law. All notices and communications must be provided in accordance with C.R.S. § 38-33.3-209.5.

3. In the absence of contrary procedures and provisions in the Governing Documents and the law, the procedures for enforcement of the Governing Documents other than for non-payment of assessments shall be as follows:

    A. Prior to the imposition of any fines for any violation of any provision of the Governing Documents or any applicable law, it shall be the policy of the Association to attempt in good faith to contact the Owner allegedly in violation. This good faith obligation is not intended to be a bar to any subsequent enforcement actions if contact is not made. Failure to make contact shall not, in any way, prevent the Association from enforcement of the Governing Documents and correction of any violation.

    B. Such Owner shall be provided with a written notice describing the alleged violation in sufficient detail to allow the Owner to determine the nature of the violation alleged if the Board of Directors decides to enforce such provision. Such notice shall (1) provide notice regarding the nature of the alleged violation, (2) provide notice regarding the action or actions required to cure the alleged violation, (3) set a deadline for compliance based upon applicable law, (4) inform the Owner that the Owner may dispute that a violation exists or occurred and demand a hearing, and (5) set a deadline to demand a hearing. These deadlines shall be set by the Board of Directors based upon applicable law and in accordance with what the Board of

Directors believes to be reasonable under the circumstances taking into consideration the nature of the alleged violation. In no event shall these deadlines be less than 3 business days or any other minimum prescribed by statute.

C. Any Owner who requests a hearing as provided above shall be afforded a fair and impartial hearing before a hearing board comprised of individuals that are impartial decision makers. An individual is an impartial decision maker if the individual has the authority to make a decision on a claimed violation and does not have a direct personal or financial interest in the outcome of the hearing. The hearing board shall decide whether a violation exists or occurred, whether the Owner is responsible for such violation, and impose the applicable fine. The hearing board may rule orally at the hearing or through a written document provided to the Owner within 30 days of the hearing.

4. The schedule of fines for violations shall be as follows:
   A. First violation: $100 per violation.
   B. Second violation: $200 per violation.
   C. Third violation and all violations thereafter: $300 per violation.

5. All fines are immediately due and payable when incurred. A fine becomes late if not paid within 30 days of being imposed and such late fines will bear interest at the rate of 8% per annum. Any violation which is continuing in nature and is not stopped, halted removed or otherwise ceased within any cure provision provided by law, shall be deemed a continuing violation and a new violation for each day that it continues, but a new fine for continuing violations shall be imposed every other day and not every day. The maximum of all fines for a single violation is $500.00.

6. The Association may at any time to the fullest extent permitted by law and upon compliance with all applicable law, pursue all other legal remedies available as provided by the Governing Documents and applicable law. The failure to enforce any provision of the Governing Documents, these rules or other applicable law, shall not be deemed a waiver of the right to do so for any subsequent violations. In all instances, the imposition of a fine in an amount less than the maximum possible fine will not preclude the Association from imposing the maximum fine allowable under this section for subsequent offenses. It shall be the policy of the Association to impose only such fine as is appropriate under the totality of the circumstances, including without limitation the nature of the violation.

Article 5: Inspection and Copying of Association Records by Owners – C.R.S. 38-33.3-209.5(1)(b)(V)

1. It shall be the policy of the Association to make all appropriate documents readily available to satisfy reasonable requests by Owners. Owners shall be provided with reasonable access to all Association documents to which they are legally entitled a right to inspect to the fullest extent permitted by law. Owners shall be entitled to inspect only those records required to be kept by C.R.S. § 38-33.3-317(1), as amended.

2. All requests for inspection and/or copying must be in writing and describe with reasonable particularity the records sought.

3. All costs of copying shall be paid by the Owner requesting the copies. The Association may copy the documents itself or may send the documents away for copying in its sole discretion.

4. The Association's membership list or other member information shall not be used for solicitation, including financial and political solicitation, and shall not be used for any commercial purpose. The Association's membership list or other member information shall not be sold to any person or entity. Any Owner that requests an opportunity to review or copies of membership lists or information agrees to comply with this provision of these rules. The Association may pursue any Owner for damages or injunctive relief or both, including without limitation attorneys' fees, for abuse of the inspection and copying rights.

Article 6: Investment of Reserve Funds – C.R.S. § 38-33.3-209.5(1)(b)(VI)

1. All reserve funds shall be invested in accordance with the provisions of C.R.S. § 38-33.3-303(2.5) and C.R.S. § 7-128-401 in a manner that the directors believe is in the best financial interests of the Association taking into consideration the existing and anticipated needs of the Association.

Article 7: Procedures for Adoption and Amendment of Policies, Procedures, and Rules – C.R.S. § 38-33.3-209.5(1)(b)(VII)

1. The Board of Directors of the Association shall have the authority to adopt and amend these rules and policies to the extent such adoption or amendment does not conflict with the Governing Documents or Colorado law. Such adoption or amendment shall take place at an open Board of Directors' meeting and be documented in the minutes.

Article 8: Procedures for Addressing Disputes Arising Between the Association and Members – C.R.S. § 38-33.3-209.5(1)(b)(VIII)

1. To the extent feasible, an Owner should attempt to address and resolve any dispute the Owner has with the Association through written correspondence with the Association, a private meeting with the appropriate individual on behalf of the Association, or discussion at an appropriate meeting. Any Owner that provides a written grievance to the Association shall be provided an opportunity to be heard at the next scheduled Board of Directors' meeting, if such grievance is received at least 10 business days before such meeting, or shall be responded to in writing by the Association within 30 days of being received.

Article 9: Reserve Study – C.R.S. § 38-33.3-209.5(1)(b)(VIII)

1. In accordance with the Governing Documents, the Association will prepare and maintain a reserve study for those portions of the community maintained, repaired, replaced and

improved by the Association. Except if otherwise provided in the Governing Documents, a funding plan will be prepared and maintained as part of the reserve study and the expected source of funds for any work will be regular and special assessments. Except if otherwise provided in the Governing Documents, the reserve study will be based on a physical analysis and financial analysis. Except if otherwise provided in the Governing Documents, the reserve study may be internally conducted.

Article 10: Additional Rules, Regulations, Policies and Procedures

1. Animals. Animals or pets may be kept or maintained by unit owners at Fairway Condominiums provided that such pet has not been documented and deemed as a nuisance, obnoxious, or troublesome to any other unit or neighbor in the vicinity. The right to maintain domesticated pets as herein set forth shall be subject to the following conditions and reservations:
   a. Each Owner may be allowed up to a maximum of two domesticated pets regularly living within their unit but may not exceed more than one dog per unit.
   b. Non-domesticated pets are not allowed on the premises.
   c. The above right to maintain pets upon the condominium property is subject to revocation and termination at any time by the Board of Directors upon its sole determination that such pet is and has been documented as either vicious, annoying other residents or neighbors in the vicinity, or otherwise documented and deemed as a nuisance.
   d. Owners of any dogs are responsible for the immediate collection and disposal of any pet excrements. Any dog owners who do not pick up their pet's excrement within a timely fashion may be charged a fine per documented incidence.
   e. In no event may a dog be at large. A dog may not be left unattended on common ground (e.g. You can't put your dog on a leash outside and go to work, etc.). When on common ground dogs must be properly leashed or actively under complete verbal control. Dogs left unattended will be deemed a nuisance and subject to section 1.3.
   f. No guest or lessee shall be allowed to maintain or keep a dog within the private quarters of any condominium unit or on common element of the Fairway Condominiums.

2. Recreational Equipment: No recreational equipment shall be parked, stored or maintained by any Owner, guest, invitee, or lessee upon the exterior property of the Fairway Condominiums. Recreational equipment is defined to mean boats, campers, motorcycles, recreational vehicles, trailers of every nature and description, tents or other similar equipment or devices.

3. Nuisances: Obnoxious, unlawful, or offensive activity shall not be allowed within Fairway Condominiums. Each Owner, guest, invitee or lessee shall occupy and use their condominium in a manner that is not offensive to the other Owners, guests, invitees or lessees. All reports of behavior that may be considered a nuisance, and all notifications and notices to Owners of complaints of behavior that has been reported as a nuisance,

shall be documented by the HOA board and used as evidence in deeming the behavior as a nuisance. Once the board has documented and deemed the behavior as a nuisance, the board may follow the rules and regulations of enforcement.

4. Home Based Business. No unit may be used solely for the purpose of a business. Each condominium unit must actually be used as a residence. No home-based business in which clients, customers, or non-resident employees are routinely arriving at the property of the Fairway Condominiums shall be allowed. No signs, advertisements, or notices shall be exhibited, inscribed, painted or fixed on any part of the outside of the buildings for a home-based business. Any home-based business must operate discreetly and in such a way that the home-based business is not apparent to other residents. This is to maintain a residential setting among the Fairway Condominiums.

5. Motor Vehicles. Not more than two motor vehicles shall be kept, maintained or allowed on the common elements of Fairway Condominiums for each condominium unit, without the prior written consent of the board of directors. Each unit has two spaces for vehicles, one in front of the garage and one in front of unit entry door.
   5.1 No motor vehicle shall remain parked upon the property of Fairway Condominiums unless the vehicle may be driven legally and is maintained in fully operational condition.
   5.2 Long term parking of vehicles, particularly inoperable or infrequently used vehicles (vehicles not driven for greater than two weeks) is not allowed unless prior written consent of the board of directors or managing agent has been obtained.
   5.3 All owners of motor vehicles shall, upon request, remove the vehicle from the parking area during snow removal or maintenance operations.
   5.4 The board of directors has the right to request and maintain a list of vehicle identification information including owner name, contact information, tag number, and vehicle description of all vehicles regularly parking or parking long-term on the premises. The list shall be used for the purposes of contacting vehicle owners when vehicles need to be moved for condominium property maintenance or rule violations.

6. Speed Limit. The posted speed limit of 15 miles per hour shall be observed by all Owners, guests, invitees, and lessees. Failure to observe the speed limit will result in a written warning. Continued non-compliance may result in fines.

7. Trash. No trash, debris, or refuse shall be deposited upon the elements of Fairway Condominiums except only within designated trash containers to be furnished at a central location by the Association. No furniture, electronics, intact boxes, or excessively large items may be deposited within the trash containers and must instead be properly disposed of at the county landfill or as otherwise required by county laws. Failure to follow this may incur excess charges from the trash disposal provider which may then be charged to the unit responsible for fines. No fires, nor burning of any trash, debris or materials shall be allowed outside of any unit within Fairway Condominiums except by written consent of the board of directors, and in compliance with the applicable regulations of Gunnison County, Colorado.

8. Walkways and Entryways. The walkways and entryways within Fairway Condominiums shall at all times be kept free and clear of all obstructions. No Owner, guest, invitee or lessee shall park their motor vehicle on walkways and entryways, including parking over sidewalks, or in any way obstruct free and unlimited access by Owners, guests, invitees or lessees of any other condominium unit.

9. Common Land Areas. Common land areas of the general common elements shall be kept and maintained by the Association. No individual shall place, keep, or maintain, any items of personal property thereon without the written consent of the board of directors. Consent will only be given if the personal property is unobtrusive to other residents in the Association. The board of directors has the right to revoke permission, in writing, if it is deemed and documented to be a nuisance or obtrusive to other residents.

10. Use of General or Limited Common Elements. Use of any of the general or limited common elements will be made in such manner as to respect the rights and privileges of other Owners.

11. Patio and Deck Areas. The patios and deck areas shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles, or other items.

12. Signs. No signs shall be posted on the common elements of the property including political signs except as otherwise expressly required to be permitted by law. No signs shall be affixed to the outside of any building including sale signs and/or political signs without the prior written consent and approval of the board of directors or its managing agent except as otherwise expressly required to be permitted by law. The board of directors has the right to deny any outdoor signs for reasonable cause including being offensive in nature, causing damage to common elements or buildings, or otherwise negatively impacting the association except as otherwise expressly required to be permitted by applicable law. Sale signs may only be placed in the dirt/garden area directly in front of a unit and may not be attached to the building.

13. Noises. Owners, guests, invitees &, and lessees shall maintain as low noise levels as are reasonably possible at all times, and in no event may maintain noise levels which are offensive to other residents within Fairway Condominiums, or others within the neighborhood and surrounding vicinity. It is encouraged that those finding a noise to be offensive make at least two attempts to contact those responsible for the noise prior to contacting the board. Complaints of noises may result in contact with local law enforcement. Continued documented noise complaints may result in the responsible party being deemed a nuisance (as described in section, 3. Nuisances), and the board may follow the rules and regulations of enforcement and applicable Colorado law.

14. Locks/Emergency Contacts. All Owners must supply updated emergency contact information with the board including a local emergency contact that has access to the unit in case access is needed for emergency purposes. In the event that an emergency contact cannot be reached or cannot arrive in a timely fashion and there is concern of serious

safety issues and/or significant property damage, the board may contact local emergency services (i.e. dispatch or fire department) to gain access to the unit by whatever means necessary. In such an event, the Association will not be responsible for any damage to a unit that is the direct result of force used to gain access to the unit.

15. Firewood. Unless otherwise permitted in writing by the board of directors, firewood must be kept in the garage. Only those without a garage may stack firewood outside and must keep the firewood stacked and appropriately maintained.

16. Liability for Damage. Any damage to the general common elements or limited common elements caused by an Owner, by the children of an Owner, an invitee, a lessee, or the guests of a Owner shall be repaired by the Association at the expense of the Owner.

17. Miscellaneous.
    a. Each Owner and the occupants of a condominium unit shall maintain or cause to be maintained in good condition and repair their condominium unit and all of the fixtures therein, and shall promptly pay all charges for utilities separately metered to such unit.
    b. No Owner may install any permanent plumbing, wiring, or air conditioning, except with the prior written approval of the board of directors.
    c. All Owners who rent their units must, prior to the commencement of any rental, provide to the Association a completed copy of the lease addendum for that rental on the form attached hereto as **Exhibit A** along with a copy of the rental agreement incorporating the addendum.
    d. Each guest, invitee or lessee agrees to comply with and abide by all covenants, rules and regulations applicable to Owners, renters and other occupants of a unit (the "Renter Rules"). For convenience, a copy of this Article 10 of these Regulations shall be given to each renter. An Owner is liable for all violations of the Governing Documents by that Owner's renters and other licensees and invitees. The Renter Rules shall be incorporated into every lease of a unit and every renter shall be obligated under the applicable lease not to violate the Renter Rules. The above rules and regulations shall in no way amend or alter the Articles of Incorporation, Condominium Declaration or Bylaws of the Association, but shall only be supplemental thereto.

18. Contracts. No purchases, service agreements, contracts, or other arrangements for the purchase, acquisition or lease of property or services for the use or benefit of Fairway Condominium Association or the general common elements within Fairway Condominiums may be entered into except by action of the board of directors of the Association, or its appointed manager.

CERTIFICATION: The undersigned, being the Vice President of the Association, certifies that the foregoing was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors on ____________________, which was open to all Owners or their representatives.

Fairway Condominium Association, a
Colorado nonprofit corporation

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By: ____________, Vice President