

## **RESPONSIBLE GOVERNANCE POLICIES**

If there is any conflict or inconsistency between the terms and conditions of these Responsible Governance Policies and the terms and conditions of the Amended and Restated General Declaration for the Timbers Estates (the Declaration), the terms and conditions of the Declaration shall control.

These policies may be amended by a majority vote of the Board of Directors of the Timbers Homeowners Association (Board).

### **Collection Policy**

Timbers Homeowner Association (Association) dues are determined and voted upon at the Annual Homeowners Meeting (Annual Meeting) of the Association. Invoices for dues are then sent via email unless a property owner has requested another method. Dues are payable within thirty (30) days of the invoice date. Reminders are to be sent out to homeowners whose dues remain unpaid for two (2) months or more after the due date, and monthly thereafter. Any dues that remain unpaid at the following annual meeting may incur an 18% simple interest late charge and may be charged 18% annually until the account is brought current. If any dues payment is not honored by a financial institution for insufficient funds or other financial reason, the homeowner must reimburse the Association for any expenses incurred. Dues payments are applied to the oldest invoices first. Any homeowner with dues, fines and or special assessments in arrears for more than one (1) year is not eligible to vote. Delinquent homeowners may attend meetings and participate in discussions. A notice will be given to the homeowner thirty (30) days before their account is turned over for collection efforts, specifying: (1) the total amount due and how the total was determined, (2) whether an opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into a payment plan, (3) the contact information for the Association to request a copy of the homeowner's ledger, and (4) a statement that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the homeowner'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 homeowner's property, or other remedies available under Colorado law. Payments may be applied on the delinquent homeowners account in the following order: collection fees and costs, including attorney's fees; late fees and interest; past due assessments and to current assessments.

### **Covenant Enforcement Policy**

Any homeowner or tenant may report a violation of the covenants (a general reference to the governing documents, together or separately), which governing documents include: General and Restated Declaration (2005), Articles of Incorporation, Bylaws and the Rules and Regulations) to the Timbers' Board of Directors (Board). If the violation involves deviations from the Rules and Regulations of the Timbers, the matter will initially be reviewed by the Design Review Board (DRB) (also known as the Architectural Committee). Before taking any action on an alleged violation, the DRB will give notice to the alleged violator and a date and time for an opportunity to appear before the DRB for a fact-finding hearing. If the DRB or the Board determines the DRB would be unable to be an impartial decision maker, the Board or an impartial decision maker designated by the Board will conduct the hearing. The

DRB has a variety of options available to them to address violations, including the authority to waive the relevant requirements tied to the violation based on their judgment of the circumstances. They may also require the violation to be corrected or they may suggest other modifications to bring the violation into compliance, at their discretion. The homeowner who is in violation of the Rules and Regulations as determined by the DRB, will be notified of the violation within ten (10) days of the DRB's decision. The violation must be corrected within thirty (30) days of receipt of notification from the DRB, which receipt will be deemed to have been made immediately if delivered in person, by email, text or other accepted electronic form of communication; within three (3) days if sent via overnight express mail or within seven (7) days if sent by first-class US Mail. An extension of time for correction may be granted under extenuating circumstances, as specified by the DRB on a case-by-case basis, at their discretion.

If the offending homeowner is dissatisfied with the decision of the DRB, that homeowner may file an appeal to the Board within ten (10) days of receipt of the DRB's notification of violation. The Board will review the appeal within fourteen (14) days of receipt of the appeal. Decisions by the Board will be final.

If a violation occurs that is other than an infraction of the Rules and Regulations procedures, it will be reviewed solely by the Board. The homeowner will be notified under the same procedure noted above. Once notified and given an opportunity for hearing, the homeowner will have thirty (30) days to correct the violation.

If violations are not corrected in a timely manner, the Board may proceed to assess fines (see schedule 1) or seek other legal remedies. *NOTE: If punitive or legal action is recommended by the Board, such action is subject to a voting majority of 51% or more of the eligible voters in the Timbers, which is defined as one vote per lot by homeowners in good standing.* A written notice of the proposed enforcement action will be delivered to all homeowners whose interest would be significantly affected. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. The hearing date shall be set no less than ten (10) days and no more than forty-five (45) days from the notification date. Any affected owner shall be notified in writing of the decision. At the request of the homeowner in violation, all homeowners will be considered an affected owner for notification purposes.

Homeowners in violation of the Association's governing documents are not eligible to vote.

### **Conduct of Meetings**

Notice of the Annual Meeting, stating the location, date and time, will be given to each homeowner no less than ten (10) or more than forty-five (45) days before the date of the meeting. Notice will be given by email and posted at the gatehouse.

A reasonable effort will be made to set the date and time of Board meetings to facilitate the attendance, in person or electronically, of all Board members. Notice for the meetings of the Board, including location, date and time, shall be given to homeowners at least forty-eight (48) hours prior to such meeting. Notice will be given by email and posted at the gatehouse.

The President of the Association will preside over the Annual Meeting and all meetings of the Board, if in attendance. Otherwise, the Vice President of the Association will assume such duties. If the President

and the Vice President are both unavailable to attend any given meeting, another director on the Board will preside. Meetings will generally run according to Roberts Rules of Order. Meeting discussions may not include personal or confidential matters including but not limited to personal health, personal financial issues, or attorney/client communications.

### **Inspection of Records**

The Association maintains records for a variety of documents. The governing documents (as noted above), three (3) years of financial information and other information such as meeting minutes are available on the Timbers' website at timbersestates.com. Other records required to be maintained by the Association may be requested by written request to the Board of Directors. The records will be provided within ten (10) days of receipt of the request. There is no charge for digital copies. Hard copies are provided at a cost of \$.10 per page.

### **Conflict of Interest**

All homeowners who serve on either the Board or the DRB agree to avoid conflicts of interest to the best of their ability and knowledge. A conflict of interest may arise where there is a contract, transaction or other financial relationship between the director or committee member and the Association, or between the Association and any party related to the director or committee member, or between Association and an entity in which the director, committee member has a financial interest. Any director who stands to benefit separate from their interest as a homeowner must disclose such conflict of interest at a meeting of the Board. That director must recuse himself or herself from voting, however, he or she may participate in discussions regarding the issue(s) involving the stated conflict of interest. The Board will conduct a periodic review of the Association's conflict of interest policies, procedures, and rules and regulations on a schedule determined by the Board.

### **Investment Policy**

All Association funds shall be deposited in an FDIC insured account.

### **Adoption of Rules and Policies**

Rules and Policies that do not conflict with the Declaration may be adopted by majority vote of the Board of Directors.

The Declaration may be amended at any time by a super-majority vote of at least sixty-seven percent (67%) of the eligible voters in good standing in the Association.

### **Alternative Dispute Resolution**

Any homeowner may request a hearing with the Board of Directors for disputes that are not covered under the Covenant Enforcement Policy. A notice will be sent to affected homeowners including a general statement of the dispute and the date, time and place of the hearing. The hearing date shall be no less than ten (10) days and no more than forty-five (45) days from the date of the notice.

### **Reserve Study Policy**

NOTE: Since the Timbers HOA is not responsible for the management of the physical assets of the community, this section is not relevant. Any capital reserve analysis or related capital budget is the responsibility of the Timbers Estates Metropolitan District (TEMD), which manages the primary assets of the Timbers and generally including: roadways, bridges, gatehouse, perimeter fence, common land parcels (A-H), timber, reservoirs, water rights and limited personal property.

## Schedule of Fines

This schedule of fines will be reviewed and approved annually at the Annual Homeowners Meeting. Before any punitive action is taken it must be approved by 51% of the lot owners eligible to vote.

### Continuous Violations

Continuous violations are defined as violations of the governing documents that are uninterrupted by time. If an owner is determined as having a continuous violation, such owner may be subject to a daily fine of \$50.00 per day per covenant violation if not corrected, following a notice and opportunity for a hearing as set forth in the Covenant Enforcement Policy. If the violation is not cured within 30 days after the commencement of the daily fine, the Board may elect to take appropriate legal action.

### Other Violations

Violations that are not continuous in nature may be fined according to the schedule below. An example of a non-continuous violation would be the use of a recreational vehicle in the Timbers in a manner prohibited by the governing documents.

First Violation	\$100
Second Violation	\$200
(of the same covenant or rule)	
Third Violation	\$500
(of the same covenant or rule)	

