

QUARTZ CREEK PROPERTY OWNERS ASSOCIATION POLICIES AND PROCEDURES RESOLUTION (GOVERNANCE POLICIES)

WHEREAS the Quartz Creek Property Owners Association (QCPOA) pursuant to the Colorado Revised Statutes 38-33.3-209.5, 38-33.3-316 & 38-33.3-316.3 must adopt written policies and procedures regarding: 1) collection of unpaid assessments; 2) handling board member conflicts of interest; 3) conduct of meetings; 4) covenant and rule enforcement, including notice and hearing procedures and fine schedule; 5) inspection and copying of association records; 6) investment of reserve funds; and 7) the adoption and amendment of policies procedures, and rules; and 8) dispute resolution,

NOW THEREFORE, IT IS RESOLVED, that the Association does hereby adopt the following policies and procedures:

1) Collection of Unpaid Assessments: Pursuant to the By-Laws of QCPOA and the Amendments to Condition for Chicago Park/Quartz Creek Properties, all assessments shall be deemed delinquent if not paid by the due date. Annual assessments shall be due and payable by March 15th. Dues not postmarked and paid in full by March 15th are considered delinquent. The Association may bring an action at law against the Owner or any other party personally obligated to pay same, or foreclose the lien against the property, and the interest, costs, and a reasonable attorneys' fee of any such action shall be added to the amount of such assessment. The following collection procedures will be used and the QCPOA Collection Policy effective January 1, 2014 will apply:

1/15 Dues invoices sent to the first property owner of record for all properties.

3/15 The due date for annual dues for all QCP owners. Late fees added to all delinquent accounts and interest will accrue.

4/01 Letters of delinquency will be sent to the first property owner of record for all delinquent properties via certified, return receipt mail. A "one-time only" six month payment plan will be offered.

5/15 QCPOA files a statement of lien on the delinquent owner's property or properties unless a payment plan has been accepted, approved, and the first payment received. At this point substantial additional lien costs and attorney fees are added to the amount due. The attorney sends the first owner of record a collection letter indicating that if the dues and costs are not paid within 30 days, the QCPOA will initiate foreclosure proceedings.

7/01 QCPOA turns the debt over to the Association attorney for foreclosure/collection.

Note: It is the responsibility of every property owner to inform QCPOA of his or her correct mailing address. Not providing QCPOA with a current address does not relieve the property owner from the deadlines for payment of dues and/or assessments. QCPOA cannot be responsible for non-delivery of mail by the USPS. Dues are always due by March 15th and the amount of the dues is available on the Association website at <http://www.pitkincolorado.com/QCPOA/>

All owners have the responsibility to be aware of the March 15th due date.

ONLY ONE INVOICE WILL BE SENT

2) Board Member conflicts of Interest: If the Board is discussing or voting on any matter that would financially benefit any Board member or any family member of one of the Board members, that Board member must disclose the conflict of interest during any Board meeting at which it is discussed, prior to any decision being reached by the Board on the matter. At the discretion of the Board, the conflicted Board member may participate in discussions of the matter but not be allowed to vote on the decision, or conversely, may be asked to leave the room during the discussions and not be allowed to return until voting is completed. The Association is one that does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes; however, its members may be paid for services actually rendered to the corporation.

3) Conduct of Board Meetings: The Association shall hold at least one meeting per year, which shall be held within a 7-day period before, after, or on

July 4th, whenever possible, to avoid conflicts with local events. Not less than ten nor more than fifty days in advance of any regular meeting of the members, notice of the meeting will be sent prepaid by United States mail to the mailing addresses of each Owner and/or sent electronically by posting on the QCPOA website or via email. Special meetings of the members may be called by the president, by a majority of the board, or by property owners having twenty percent of the votes in the association. Electronic notice of a Special meeting shall be given as soon as possible but at least twenty-four hours before the meeting. All members in good standing, as defined in the By-Laws, may vote at the annual meeting and at any Special meeting of the members.

Regular and special Board meetings may also be called at any time. Any Owner is welcome to attend any regular or special Board meeting, and may be advised of the time, location, and agenda of the next meeting by postings on the bulletin board at the Quartz Creek Properties entrance at Chicago Park Road and County Road 67. Members in attendance at Board meetings may speak in support or opposition of any issue before the Board, but may be subject to limits on the time during which they may speak. Owners who are not Board members do not have the right to vote on issues before the Board. All members in good standing, as defined in the By-Laws, may vote at the annual meeting.

4) Covenant and Rule Enforcement: Pursuant to the Conditions For Chicago Park/Quartz Creek Properties, if any person shall violate or threaten to violate any provision of the "covenants", it shall be lawful for any Owner to institute damages for such violation.

In addition, as a representative of the Owners in Quartz Creek Properties, the Board of Directors has the right to enforce the provisions of the Conditions For Chicago Park, Inc., the Conditions For Quartz Creek Properties, Inc., the By-Laws of QCPOA, and these Rules and Regulations.

Owners having complaints pertaining to an infraction of the policies of the Conditions, By-Laws, or of these Rules and Regulations by another owner are requested to first contact the offending property owner directly to seek resolution.

If no resolution results, the owner may then submit a complaint pertaining to an infraction of the policies of the Conditions, By-Laws, or of these Rules and Regulations by making such complaint in writing, and sending it to: Board of Directors, QCPOA, P.O. Box, Pitkin, Colorado 81241. The complaint must include the following:

- Name and identity of individual committing the infraction;
- An identification of the specific violation;

- The date, time, and place of the infraction;
- The name, address, and telephone number of the person making the complaint.
- A brief summary of all contact made seeking resolution with the offending property owner; including date, method of contact, those present, and the results.

Upon receipt of a written complaint, the Board of Directors shall investigate the matter and proceed appropriately.

Owners found by the Board to be in non-compliance shall be notified of the non-compliance in writing. Owners have the right to appeal the Board's decision of non-compliance by submitting a request for review in writing to QCPOA, P.O. Box 39, Pitkin, Colorado 81241 prior to the date specified in the notice of non-compliance. Upon receipt of a request for review, the Board may convene a meeting at which the Owners shall be allowed to present evidence of compliance, or reasons why compliance is not appropriate. The Board will, within a reasonable time, notify the Owners in writing of its decision regarding compliance. At that time, if the Owner does not agree with the decision, then a mediation process shall apply. The mediation shall be conducted by a board of three mediators. Each mediator shall be a property owner in Quartz Creek Properties. One mediator shall be chosen by the Owner in the dispute; one shall be chosen by the Board, but cannot be a current Board member; and the third mediator shall be chosen by the first two mediators. If the Owner is found to be in non-compliance and refuses to comply, the Board shall have the right to seek judicial remedy, including injunction against the Owner.

5) Inspection and Copying of Association Records: All financial and other records of the Association shall be made reasonably available for examination and copying by any Owner. Records may be inspected at the convenience of the President, Secretary, or Treasurer of QCPOA. Copies will be made upon request. At no time will any originals be released. The requesting Owner shall pay the actual copying costs.

6) Investment of Reserve Funds: Investment of Reserve funds shall be made with the primary goals of safety, liquidity, and preservation of capital. The Board shall select such specific investments, as it deems most appropriate to achieve these goals. No investment shall be made that would involve a conflict of interest for any Board member nor would provide financial gain to any Board member.

7) Adoption and Amendment of Policies, Procedures, and Rules: The Conditions stipulate the requirements for amendment of Policies, Procedures, and Rules stipulated in the Conditions. The By-Laws of QCPOA can be adopted or amended by a majority of the Association members present at any regular meeting of the Association, provided a quorum is present. The Board of Directors can adopt such motions and resolutions as are necessary for the day-to-day operation of the Association.

Such Rules and Regulations must conform to the requirements of the Conditions, By-Laws of the Association, Colorado Revised Statutes, Gunnison County codes, and any other controlling legal documents. A copy of said Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be provided to each Owner via the QCPOA website. Upon such delivery, said Rules and Regulations shall be in full force and effect and shall be enforced by the Board.

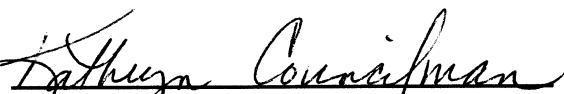
8) Dispute Resolution Process: Disagreements between an Owner and the Association that pertain to Association administration and governance not involving an imminent threat to the peace, health, or safety of the community shall undergo the following dispute resolution process:

Step 1) Negotiation: Any Homeowner may initiate a request for negotiation by stating in writing the nature and details of the disagreement in a letter to the Board of Directors. Upon receipt of such request, the Board shall, in timely fashion, make a reasonable attempt to convene a meeting between the Owner and the Board, to negotiate a good faith resolution of the disagreement. During the negotiation process, the parties will communicate directly with one another in an effort to reach an agreement that serves the interests of all parties.

Step 2) Mediation: If the dispute is not resolved by negotiation in a reasonable time, the parties shall agree to participate in a process of mediation. The mediation shall be conducted by a board of three mediators. Each mediator shall be a property owner in Quartz Creek Properties. One mediator shall be chosen by the Owner in the dispute; one shall be chosen by the Board, but cannot be a current Board member; and the third mediator shall be chosen by the first two mediators.

Step 3) Judicial: If the dispute is not resolved by mediation, each party shall retain the right to seek judicial resolution.

**Adopted by the Membership of QCPOA on July 7, 2007. Amended
by the Board of Directors on December 19, 2013.**

Attest:  **Councilman**
Kathryn (Kitty) Councilman Secretary