

**RESOLUTION OF THE BOARD OF DIRECTORS OF FIRST WESTWIND AT
VAIL CONDOMINIUMS ASSOCIATION, INC.**

(RESPONSIBLE GOVERNANCE POLICIES)

The undersigned, being the Board of Directors (the “**Board**”) of First Westwind at Vail Condominiums, Inc. (the “**Association**”), duly organized, existing and in good standing under the laws of the State of Colorado, do hereby adopt the following Resolutions at a special meeting of the Board called and held on September 11, 2021, proper notice of the special meeting, pursuant to the Association’s Bylaws of even date herewith having been given, and such Resolutions being in conformity with the Articles of Incorporation and the Bylaws of the Association:

WHEREAS, the Association was formed to be and act as the owners association described in the Condominium Declaration for First Westwind at Vail Condominiums recorded November 26, 1969 at Reception No. 112000 of the Eagle County, Colorado real property records, as amended (the “**Declaration**”). All capitalized terms not otherwise defined in this Resolution or in the “**Written Polices**” (as hereinafter defined) shall have the meanings ascribed thereto in the Declaration or the Bylaws of the Association;

WHEREAS, the Association is subject to certain provisions of Colorado’s Common Interest Ownership Act, Section 38-33.3-101, et seq., C.R.S. (the “**Act**”), as the same may be heretofore and hereafter amended, including, without limitation, Senate Bill 05-100, Senate Bill 06-089 and House Bill 09-1359, which bills placed significant new requirements on the boards of directors of owners associations in connection with governance and operations of such associations; and


WHEREAS, in that connection, the Association is required to adopt written policies regarding: (i) collection of assessments and enforcement of unpaid assessments, (ii) handling conflicts of interest, (iii) conduct of meetings, (iv) covenant and rule enforcement, (v) inspection and copying of records, (vi) investment of reserve funds, (vii) adoption of policies, (viii) dispute resolution, (ix) reserve studies, and (x) availability of information to Board members and qualification of chairpersons of committees of the Association.

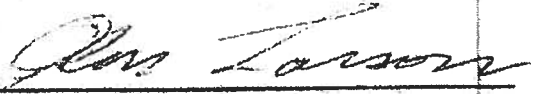
NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts each of the ten (10) written policies attached hereto as Exhibits A through J (the “**Written Policies**”) and such Written Policies shall hereafter form a part of the governing documents of the Association;


FURTHER RESOLVED, that, notwithstanding anything contained herein or in the Written Policies to the contrary, the Written Policies shall not be construed to invalidate any provision of the Declaration or the Association’s Bylaws, articles of incorporation, Rules and Regulations, or other governing documents (collectively, the “**Governing Documents**”), but only to the extent such provisions do not conflict with the Act, as amended, or any other law to which the Association is subject. The Written

Policies set forth in this Responsible Governance Policies shall supersede and replace any existing Responsible Governance Policies and all amendments.

IN WITNESS WHEREOF, the undersigned, being the Board of Directors of the Association, have duly executed this Resolution as of this 11th day of SEPTEMBER, 2021.


_____, Director


_____, Director


_____, Director


_____, Director

_____, Director

EXHIBIT A

COLLECTION OF ASSESSMENTS AND ENFORCEMENT OF UNPAID ASSESSMENTS

1. Due Dates.

(a) Common Assessments. Common Assessments shall be due and payable on the 1st day of each month. Common Assessments shall be considered delinquent if not received within thirty (30) days following the date of notice that a Common Assessment is due. The Board in its discretion may bill and collect Common Assessments on a quarterly basis.

(b) Special Assessments. Special Assessments, if any, shall be due and payable in such manner and at such times as determined by the Board of Directors following adoption thereof, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. Special Assessments shall be considered delinquent if not received within thirty (30) days following the date of notice that a Special Assessment installment is due.

(c) Individual Purpose Assessments. Individual Purpose Assessments, if any, shall be due and payable in such manner and at such times as determined by the Board of Directors following adoption thereof, provided that written notice setting forth the amount of such Individual Purpose Assessment and the due date for payment thereof shall be given to the Owner(s) of the affected Condominium Units not less than thirty (30) days prior to the due date. An Individual Purpose Assessment shall be considered delinquent if not received by the due date specified in the written notice of the Individual Purpose Assessment.

(d) Default Assessments. Default Assessments shall be due and payable five (5) days following receipt of notice thereof by an Owner, unless the Board specifies otherwise. A Default Assessment shall be considered delinquent if not received by the due date specified in the written notice of the Default Assessment.

2. Late Charges and Interest Charges. The Association shall be entitled to impose a late charge of one hundred dollars (\$100.00) on each past due and delinquent Assessment. If any Assessment is not paid by its due date, the amount due shall bear interest at a rate of twenty-one percent (21%) per annum from the due date until paid. All late charges and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.

3. Return Check Charges. A twenty dollar (\$20.00) fee shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two (2) or more of an Owner's checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the

Owner's future payments, for a period of one (1) year, be made by certified check or money order.

4. Payment Plan.

(a) Notwithstanding anything contained herein to the contrary, in connection with past-due assessments and other delinquent charges or payments due to the Association, the Association shall, in each instance, make a good faith effort to coordinate with the Owner to establish a negotiated payment plan (a "Payment Plan") that meets the requirements of C.R.S. § 38-33.3-316.3 and includes at least the following terms:

(i) the right of the delinquent Owner to pay the totality of the deficiency to the Association in equal installments over a period of at least six months;

(ii) the obligation of the delinquent Owner to 1) make timely payments pursuant to the schedule established in the Payment Plan; and 2) remain current with respect to payment of assessments (including regular and special assessments and any associated fees, charges, late charges, attorneys' fees, fines and interest) as they come due during the Payment Plan period; and

(iii) the right of the Association to immediately pursue legal action against the delinquent Owner and his/her/its Unit (subject to the requirements of C.R.S. § 38-33.3-316(11)(a) in the event that the delinquent Owner fails to comply with the terms of the Payment Plan.

(b) Notwithstanding anything herein to the contrary, the Association is not obligated to negotiate a Payment Plan with any Owner who:

(i) does not occupy the relevant Unit and acquired the Unit as a result of either 1) a default of a security interest encumbering the Unit; or 2) foreclosure of the Association's lien; or

(ii) has previously entered into a different Payment Plan pursuant to C.R.S. § 38-33.3-316.3.

5. Referral of Delinquent Accounts. The Association may, at any time, at its option, refer delinquent accounts to its attorneys and/or assign such accounts to collection agencies. After consultation with the Board of Directors or the Association's managing agent, the Association's attorneys shall be entitled to exercise all available remedies to collect the amounts due, including seeking a personal judgment against the delinquent Owner, judicial foreclosure and appointment of a receiver of the delinquent Owner's Unit. The Association shall be entitled to recover its attorneys' fees and collection costs incurred in the collection of Assessments or other charges due the Association from a delinquent Owner. All costs of collection shall be assessed against the delinquent Owner and the delinquent Owner's Unit.

6. Application of Payments Made to the Association. The Association

reserves the right to apply all payments received on account of any Owner first to payment of any and all legal fees and costs (including attorneys' fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner, and any remaining amounts shall be applied to the Assessments due with respect to such Owner.

7. Waivers. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. The Association may grant a waiver of any provision herein for a particular Owner for a period of fifteen (15) days prior to imposing on such Owner any interest penalties as set forth in the Governing Documents. Such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances. The granting of a waiver for any particular delinquency shall not require the Association to grant a waiver for any future delinquency for the same or another Owner.

8. Delinquencies Constitute Covenant Violations; Progressive Enforcement Schedule. Any delinquency in the payment of Assessments shall constitute a violation of the Declaration for which a delinquent Owner is not entitled to a hearing prior to the imposition of fines and other charges, or commencement of Association collection proceedings. Nonetheless, it is a policy of the Association to provide clear guidelines of its delinquent Assessment collection procedures, which are as follows:

FIRST WESTWIND AT VAIL CONDOMINIUMS
PROGRESSIVE ENFORCEMENT SCHEDULE OF ACTIONS

<u>EVENT</u>	<u>DAY</u>	<u>ENFORCEMENT ACTION</u>
Regular Association Assessment Notice	1	Regular Association assessment notice is sent indicating late fee is automatically due and owing if payment is not received within 30 days.
Assessment is 31 days past due	31	Association makes a good faith effort to negotiate with the Owner a Payment Plan that meets the requirements of C.R.S. § 38-33.3-316.3 pursuant to section 4 of this Exhibit.
Assessment is 45 days past due	45	\$100 Late Fee is due in addition to default interest. In addition, second Association assessment notice is sent indicating that the account is 45 days past due, and that at 60 days past due the Owner will receive a collection letter from the Association's attorney, the cost of which will automatically be added to the Owner's account.
Assessment is 60 days past due	60	O&E Report is ordered/received, Association attorney collection letter is sent, Owner's lender and other interest holders are copied.

Assessment is 75 days past due

75 Second Association attorney letter is sent stating that if the account is not brought current within 15 days, a lien statement will be recorded against title to the unit in the Eagle County real property records and a complaint for collection of the assessment, foreclosure of the lien, and appointment of receiver will be filed with the Eagle County District Court, the cost of which will be added to the Owner's account. A copy of this notice will be sent to the Owner's lender and other holders of interests in the subject unit.

Assessment is 90 days past due

90 A lien statement is recorded against title to the unit in the Eagle County real property records and a complaint for collection of the assessment, foreclosure of the lien and/or appointment of receiver at the Board's discretion is filed with the Eagle County District Court.

Court appoints Receiver, accepts personal recognizance bond

110 Receiver changes locks, inventories and stores personal property, commences to offer unit for rent on nightly and longer term basis.

Receiver collects current rents through trial and until satisfaction of the Association's assessment lien.

260-325 Receiver's rent collections pay cost of receivership, enforcement costs and HOA assessments.

EXHIBIT B

HANDLING OF CONFLICTS OF INTEREST INVOLVING BOARD MEMBERS

1. No loans shall be made by the Association to any member of the Board of Directors or any officer of the Association. Any member of the Board of Directors or any officer of the Association who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

2. No “conflicting interest transaction” (as defined in Section 7-128-501(1), C.R.S.) shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association, solely because the conflicting interest transaction involves a member of the Board or a “party related to a member of the Board” (as defined in Section 7-128-501(5), C.R.S.) or an entity in which a member of the Board of Directors is a director or officer or has a financial interest or solely because the member of the Board of Directors is present at or participates in the meeting of the Board of Directors that authorizes, approves, or ratifies the conflicting interest transaction or solely because the interested Board of Directors member’s vote is counted for such purpose if:

(a) The material facts as to the interested Board of Directors member’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Directors, and the Board of Directors in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested members of the Board of Directors, even though the members of the Board of Directors are less than a quorum; or

(b) The material facts as to the interested Board of Directors member’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members of the Board of Directors entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members of the Board of Directors entitled to vote thereon; or

(c) The conflicting interest transaction is fair as to Association.

3. An individual’s acceptance of a seat on the Board of Directors of the Association or the Rental Group Committee of the Board shall be deemed to constitute consent by such individual to disclosure to the Association’s Members of all rental records and rental data relating to any Unit or Units directly or indirectly owned (or part owned) by such individual or in which such individual has a financial interest. Such disclosure shall, however, be limited as follows:

(a) Rental data shall be disclosed for only those periods during which the Unit was under a rental contract or agreement with a rental agent who either holds a management contract or other contract with the Corporation or who provides rental management services for two or more Units in the Project.

(b) Rental data shall be disclosed only for the year in which such person's term of office commences, the immediately preceding year, and the year in which such term of office ends.

Each such member of the Board and member of the Rental Group Committee of the Board, shall, within sixty (60) days of the commencement of their term, notify their rental agent to provide such information to the Association. A failure to so notify their rental agent, and/or a failure by their rental agent to provide such information, after two or more written requests by the Association, shall be deemed a tender of resignation by such Board member or Rental Group Committee member.

4. Common or interested members of the Board of Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes, approves, or ratifies the conflicting interest transaction.

EXHIBIT C

CONDUCT OF MEETINGS

1. Notice. Notice of any meeting of the Members shall be delivered and posted as provided in the Bylaws of the Association.

2. Open Meetings. All meetings of the Association and the Board of Directors are open to every Member, or to any person designated by a Member in writing as the Member's representative, and all Members or their designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that, for regular and special meetings of the Board of Directors, Members who are not members of the Board of Directors may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board of Directors.

3. Restrictions on Participation at Meetings. The Board of Directors may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Member or a Member's designated representative to speak before the Board of Directors takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board of Directors shall provide for a reasonable number of persons to speak on each side of an issue. Should the president or acting chair determine that any Member has spoken for the allocated amount of time or longer, the president or acting chair shall have the authority to instruct that member to yield the floor, and that member will be obligated to comply with the president's or acting chair's instruction.

4. Attorney-Client Privilege. Upon the final resolution of any matter for which the Board of Directors received legal advice or that concerned pending or contemplated litigation, the Board of Directors may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

5. Executive Session. Notwithstanding the foregoing, the Board of Directors or a committee thereof may hold an executive or closed door session and may restrict attendance to members of the Board of Directors and other persons specified by the Board of Directors; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of the Act, as amended from time to time, or other applicable law. The matters to be discussed at such an executive session are limited to:

(a) Matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

(b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;

(c) Investigative proceedings concerning possible or actual criminal misconduct;

(d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;

(e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;

(f) Review of or discussion relating to any written or oral communication from legal counsel.

Prior to the time the members of the Board of Directors convene in executive session, the President or acting chair shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above.

6. Secret Ballot. Votes shall be conducted by secret ballot when required by the Bylaws of the Association and/or the Act.

EXHIBIT D

**ENFORCEMENT OF COVENANTS AND RULES,
INCLUDING NOTICE AND HEARING PROCEDURES
AND SCHEDULE OF FINES**

1. The Board of Directors shall have the power to enforce the Declaration in accordance with the Bylaws.

2. In addition to any other remedies available to it, the Board of Directors may levy fines in accordance with the following schedule for any act or omission deemed a violation by the Board of Directors:

<u>Number of violations in a 12 month period</u>	<u>Fine Amount</u>
First violation:	\$100.00
Second violation:	\$250.00
Third violation:	\$500.00
Fourth violation:	\$1000.00

In addition, habitual offenders (more than 4 violations in a 12-month period), continuing violations, or violations which have an indefinite commencement or termination date, shall all be subject to a fine of \$100 per month until the violation is corrected, in addition to any other remedy determined by the Board of Directors, which may include suspension of membership privileges or the imposition of additional fines.

3. The Owner shall have the primary obligation to pay fines imposed for their actions or the actions of their guests, tenants, contractors and invitees. Fines imposed pursuant to these enforcement policies and procedures shall become an Assessment imposed against the Unit and enforceable as provided in the Declaration.

EXHIBIT E

INSPECTION AND COPYING OF ASSOCIATION RECORDS BY MEMBERS

1. The Association shall keep financial records sufficiently detailed to enable the Association to provide a written statement of any unpaid assessments in accordance with Section 316(8) of the Act.

2. The Association shall keep as permanent records (a) minutes of all meetings of Members and the Board of Directors, (b) a record of all actions taken by the Members or the Board of Directors by written ballot or written consent in lieu of a meeting, (c) a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association, and (d) a record of all waivers of notices of meetings of Members and of the Board of Directors or any committee of the Board of Directors.

3. The Association or its agent shall maintain a record of Members in a form that permits preparation of a list of the names and addresses of all Members, showing the number of votes each Member is entitled to vote.

4. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

5. All financial and other records (other than records deemed confidential by the Board of Directors) shall be made reasonably available for examination and copying by any Member and such Member's authorized agents. The Association may charge a fee, which may be collected in advance, for copies of Association records. In addition, the Association may recover any costs incurred by it in connection with the collection of Association records for examination and copying, which costs may include, without limitation, time and labor expenses. As used in this Paragraph 5, "reasonably available" means available during normal business hours, upon notice of five (5) business days, or at the next regularly scheduled meeting if such meeting occurs within thirty (30) days after the request, to the extent that (a) the request is made in good faith and for a proper purpose, (b) the request describes with reasonable particularity the records sought and the purpose of the request, and (c) the records are relevant to the purpose of the request.

6. A membership list, or any part thereof, may not be obtained or used by any person for any purpose without the prior consent of the Board of Directors, which consent will not be unreasonably withheld or conditioned if the proposed use is permitted by the Act.

7. At the discretion of the Association or the Association's designated Management Company, certain records may only be inspected in the presence of a member of the Board of Directors or employee of the Association's designated Management Company. No records may be removed from the office without the express written consent of the Board of Directors.

8. In addition to the records specified in Paragraphs 1 and 2 above, the Association shall keep a copy of each of the following records at its principal office:

- (a) the Articles of Incorporation;
- (b) the Declaration;
- (c) the Bylaws;
- (d) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of Members or any class or category of Members;
- (e) the minutes of all meetings of the Members and records of all actions taken by Members without a meeting for the past three (3) years;
- (f) all written communications within the past three (3) years to Members generally as Members;
- (g) a list of the names and business or home addresses of the Association's current directors and officers;
- (h) the Association's most recent annual report, if any; and
- (i) all financial audits or reviews conducted pursuant to Section 303(4)(b) of the Act during the immediately preceding three (3) years.

EXHIBIT F

RESERVE FUND INVESTMENT POLICY

1. The Board of Directors shall be responsible for managing and investing a reserve fund (the “**Reserve Fund**”). In that connection, the Board of Directors may engage outside professionals;
2. The Reserve Fund shall be invested in accordance with all applicable laws, including Colorado State Statutes, and with any resolutions adopted by the Board of Directors;
3. The Reserve Fund shall be invested in a manner that will preserve capital and minimize credit and interest rate risk;
4. The investments in the Reserve Fund shall be sufficiently liquid to meet all planned Reserve Fund expenditures for the following fiscal year. The Reserve Fund portfolio shall consist largely of money market accounts and/or certificates of deposit;
5. The portfolio of investments in the Reserve Fund shall earn a competitive market rate of return on available funds while taking into account the Association’s investment risk, constraints, and cash flow needs;
6. Association Members shall have access to a list of the portfolio of investments in the Reserve Fund and the current market valuation of each investment; and
7. Notwithstanding any of the foregoing, with regard to investment of the Reserve Fund, the Board of Directors shall be subject to the standards set forth in Section 7-128-401, C.R.S., as more particularly described in Section 303(2.5) of the Act.

EXHIBIT G

PROCEDURES FOR THE ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES AND RULES

1. The Board of Directors shall have the authority to create, adopt, enforce, and amend policies, procedures, rules and regulations (the “Rules and Regulations”) which it deems appropriate for the Association.

2. Prior to adopting any new Rules and Regulations, the Board of Directors may, at its sole option, discuss the proposed new Rules and Regulations at any meeting of the Board or the Members which may or may not be called for that purpose.

3. The Board of Directors may adopt Rules and Regulations at a meeting of the Board of Directors, by unanimous written consent in lieu of a meeting or by any other method authorized by the Association’s governing documents or pursuant to Colorado law.

4. The Board of Directors shall inform all Members of the adoption of any new Rules and Regulations either by posting the new Rules and Regulations on the Property, or by delivering the new Rules and Regulations to the Members by U.S. Mail, newsletter or personal delivery. A courtesy e-mail regarding such new Rules and Regulations may also be sent to the Members but shall not relieve the Board of Directors of their duty to inform the Members of such new Rules and Regulations as otherwise provided herein. A compilation of all current Rules and Regulations shall be available for inspection and copying in accordance with the Association’s policy regarding inspection and copying of Association records by Owners.

5. Unless otherwise provided, any new Rules and Regulations shall be in full force and effect and subject to enforcement by the Association immediately following publication thereof in accordance with Paragraph 4 above.

EXHIBIT H

DISPUTE RESOLUTION AND NOTICE AND HEARING PROCEDURES

1. The Association and its Members, all persons subject to the Declaration, and any person not otherwise subject to the Declaration who agrees to submit to this procedure (collectively, “**Bound Parties**”) agree to encourage the amicable resolution of disputes involving the Association, and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Association, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Declaration, the Bylaws, the Association Rules and Regulations, or the Articles of Incorporation (collectively “**Claim**”), except for those Claims exempt in Section 2 below, shall be resolved using the procedures set forth in Section 3 below, in lieu of filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim.

2. The following Claims (“**Exempt Claims**”) shall be exempt from the provisions of Section 3 below, but all Exempt Claims relating to the Association’s enforcement of the provisions of the Declaration, the Bylaws, the Rules and Regulations and the other Governing Documents shall be subject to the Notice and Hearing provisions set forth in Section 4 below:

(a) Any suit by the Association against any Bound Party to enforce the provisions of the Declaration, the Bylaws, the Rules and Regulations, and any of the other Governing Documents regarding Assessments;

(b) Any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s ability to enforce the provisions of the Declaration, the Bylaws, the Rules and Regulations, and any of the other Governing Documents as they concern restrictive covenants;

(c) Any suit between Owners seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the law of the State of Colorado in the absence of a claim based on the Declaration, the Bylaws, the Rules and Regulations, or any of the other Governing Documents of the Association, if the amount in controversy exceeds \$25,000.00;

(d) Any suit by the Association in which similar or identical claims are asserted against more than one Bound Party; and

(e) Any suit by a Bound Party for declaratory or injunctive relief which seeks a determination as to applicability, clarification or interpretation of any provision of the Declaration, the Bylaws, the Rules and Regulations, or any of the other Governing Documents.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 3 below, but there shall be no obligation to do so. The submission of an Exempt Claim involving the Association to the alternative dispute resolution procedures of Section 3 below shall require the approval of the Association.

3. All Claims other than Exempt Claims shall be resolved using the following procedures:

(a) Any Bound Party having a Claim (“**Claimant**”) against any other Bound Party (“**Respondent**”), other than an Exempt Claim, shall notify each Respondent in writing of the Claim (the “**Notice**”), stating plainly and concisely:

(i) The nature of the Claim, including date, time, location, persons involved, and Respondent’s role in the Claim;

(ii) The basis of the Claim (i.e., the provisions of this Declaration, the Bylaws, the Articles, Rules and Regulations, or other authority out of which the Claim arises);

(iii) What Claimant wants Respondent to do or not do to resolve the Claim; and

(iv) That Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Each Claimant and Respondent (individually a “**Party**” and collectively, the “**Parties**”) shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

(c) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board of Directors may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes its efforts will be beneficial to the Parties and to the welfare of the Community.

(d) If the Parties do not resolve the Claim through negotiation within thirty (30) business days of the date of the Notice (or within such other period as may be agreed upon by the Parties) (“**Termination of Negotiations**”), Claimant shall have thirty (30) additional business days within which to submit the Claim to mediation under the auspices of an independent mediation service designated by the Association, the Colorado chapter of the Community Association Institute, or such other independent agency providing mediation services upon which the Parties may mutually agree.

(e) If Claimant does not submit the Claim to mediation within thirty (30) business days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or

discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

(f) If the Parties do not settle the Claim within thirty (30) business days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“**Termination of Mediation**”). The Termination of Mediation notice shall set forth when and where the Parties met, that the Parties are at an impasse, and the date that mediation was terminated.

(g) Each Party shall, within five (5) business days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand (“**Settlement Demand**”) to the Respondent. The Respondent shall make a final written settlement offer (“**Settlement Offer**”) to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant’s original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a “zero” or “take nothing” Settlement Offer.

(h) If the Parties do not agree in writing to accept either the Settlement Demand, the Settlement Offer, or otherwise resolve the Claim within ten (10) business days of the Termination of Mediation, the Claimant shall have ten (10) additional business days to submit the Claim to arbitration in accordance with the appropriate rules of the American Arbitration Association, or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings. If the American Arbitration Association ceases to exist then a similar organization shall be designated by the Association.

(i) The immediately preceding paragraph is an agreement of the Bound Parties to arbitrate all Claims except Exempt Claims and is specifically enforceable under the applicable arbitration law of the State of Colorado. The arbitration award (the “**Award**”) shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

(j) If the Claims are resolved through negotiation or mediation as provided in Sections 3(b) through 3(g) above, each Bound Party shall bear all of its own costs incurred in resolving the Claims, including its attorneys’ fees and mediation expenses, unless the Bound Parties otherwise agree; if the Claims are not resolved through negotiation or mediation as provided in Sections 3(b) through 3(g) above, and the Claims go to binding arbitration as provided in Section 3(h), the substantially prevailing Party shall receive as a part of its Award from the opposing Party(ies) all of its costs, including attorneys’ fees, costs for other representatives in resolving each Claim, and any expenses incurred as a result of the dispute resolution procedures set forth above.

(k) If the Parties agree to resolve any Claim through negotiation or mediation in accordance with this Section 3 and any Party thereafter fails to abide by the terms of such agreement, or if the Parties agree to accept the Award following arbitration and any Party thereafter fails to comply with such Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in this Section 3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such non-complying Parties jointly and severally) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

4. All Exempt Claims relating to the Association's enforcement of the provisions of the Declaration, the Bylaws, the Rules and Regulations and the other Governing Documents shall be resolved using the following procedures:

(a) Association's Enforcement Rights. In the event of an alleged violation by a Member ("**Respondent**") of the Declaration, the Bylaws, the Rules and Regulations, or any other Governing Documents, the Board of Directors shall have the right, after Notice and Hearing as hereinafter provided, and upon an affirmative vote of a majority of all members of the Board, to take any one or more of the following actions: (a) levy a Default Assessment; (b) suspend or condition the right of said Member and anyone claiming through such Member to the use and enjoyment of any recreational or other facilities, other than access to the Member's Unit, which is operated or maintained by the Association (to the extent any such Person is otherwise entitled to such use); (c) suspend said Member's voting privileges as a Member, as provided in the Declaration; provided, however, that the Board shall be entitled to suspend a Member's voting right without Notice and Hearing in the event such Member fails to pay any Assessment levied pursuant to the terms and provisions of the Declaration; (d) levy a fine against such Member in an amount determined by the Board; and/or (e) record a Notice of Noncompliance against the Unit of the Respondent. Any such suspension shall be for a period of not more than 30 days for any non-continuing infraction, but in the case of a continuing infraction (such as nonpayment of any Assessment after the same becomes delinquent) such suspension may be imposed for so long as the violation continues. The failure of the Board to enforce any Rules and Regulations, the Bylaws, the Declaration or any other Governing Documents shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided in the Declaration, the Bylaws, the Rules and Regulations and any other Governing Documents shall be cumulative and not be deemed exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by the Declaration, the Bylaws, the Rules and Regulations, this Responsible Governance Policy and any other Governing Documents, before that Member may resort to a court of law for relief with respect to any alleged violation by another Member of the Declaration, the Bylaws, the Rules and Regulations, or any other Governing Documents, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Member where the complaint alleges nonpayment of Common Assessments, Special Assessments, Individual Purpose Assessments, or Default Assessments.

(b) Written Complaint. A hearing to determine whether enforcement action under the Declaration, the Bylaws, the Rules and Regulations, or any other Governing Documents should be taken shall be initiated by the filing of a written Complaint by any Member or by any officer or member of the Board of Directors with the president of the Association or other presiding member of the Board. The Complaint shall contain a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the Respondent is charged and a reference to the specific provisions of the Declaration, the Bylaws, the Rules and Regulations, and any other Governing Documents which the Respondent is alleged to have violated.

(c) Notice of Complaint and Notice of Defense. A copy of the Complaint shall be delivered to the Respondent in accordance with the notice provisions set forth in the Declaration, together with a statement which shall be substantially in the following form:

"Unless a written request for a hearing signed by or on behalf of the person named as Respondent in the accompanying Complaint is delivered or mailed to the Board of Directors within 15 days after the Complaint was served upon you, the Board of Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled "Notice of Defense" to the Board of Directors at the following address: 548 South Frontage Road, Attn: Management Company. You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses or witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Directors, you may contact _____."

The Respondent shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board of Directors. The Respondent may file a separate statement by way of litigation, even if the Respondent does not file a Notice of Defense.

(d) Tribunal. The president shall appoint a hearing committee (the "**Tribunal**") of three natural persons (the "**Tribunal Members**") upon receipt of a written Complaint as provided in Section 2 hereof. The Tribunal Members need not be Members of the Association. In appointing the Tribunal Members, the president should make a good faith effort to avoid appointing next door neighbors of the Respondent or any Members of the Association who are essential witnesses to the alleged violation giving rise to the Complaint. The decision of the president shall be final, except that the Respondent may challenge any of the Tribunal Members for cause, where a fair and

impartial hearing cannot be afforded, at any time prior to the taking of evidence at the hearing. In the event of such a challenge, the Board of Directors shall meet to determine the sufficiency of the challenge, without the president voting. If such a challenge is sustained, the president shall appoint another member to replace the challenged Tribunal Member(s). All decisions of the Board of Directors in this regard shall be final. The Tribunal shall elect a chairman and appoint a hearing officer who shall take evidence and ensure that a proper record of all proceedings is maintained. There shall be no liability imposed upon any of the Tribunal Members for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Tribunal unless due to the willful misconduct of the party to be held liable.

(e) Notice of Hearing. The Tribunal shall serve a Notice of Hearing, as provided herein, on all parties at least ten days prior to the hearing, if such hearing is requested by the Respondent. The hearing shall be held no sooner than 30 days after the Complaint is mailed or delivered to the Respondent as provided in the Bylaws. The Notice of Hearing to the Respondent shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before a Tribunal appointed by the president of First Westwind at Vail Condominiums Association, Inc. at _____, _____, Colorado _____, on the _____ day of _____, 20____, at the hour of _____, upon the charges made in the Complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors."

(f) Hearing.

(i) Oral evidence shall be taken only on oath or affirmation administered by an officer of the Association. The use of affidavits and written interrogatories in lieu of oral testimony shall be encouraged by the Tribunal.

(ii) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine witnesses on any matter relevant to the issues; to impeach any witness; and to rebut the evidence against him. If the Respondent does not testify in the Respondent's own behalf, the Respondent may be called and examined as if under cross-examination.

(iii) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence in 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 action. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitive evidence shall be excluded.

(iv) Neither the accusing Member nor the Respondent must be in attendance at the hearing. The hearing shall be open to attendance by all Members of the Association to the extent of the permissible capacity of the hearing room.

(v) In rendering a decision, official notice may be taken at any time of any generally accepted matter within the Declaration, the Bylaws, the Rules and Regulations, any other Governing Documents, or the working of the Association. Persons present at the hearing shall be informed of the matters to be noticed by the Tribunal, and these matters shall be made a part of the record of proceedings.

(vi) The Tribunal may grant continuances on a showing of good cause.

(vii) Whenever the Tribunal has commenced to hear the matter and a member of the Tribunal is forced to withdraw prior to a final determination by the Tribunal, the remaining members shall continue to hear the case and the hearing officer shall replace the withdrawing member.

(g) Decision. If the Respondent fails to file a Notice of Defense as provided in Section 3 hereof, or fails to appear at a hearing, the Tribunal may take action based upon the evidence presented to it without notice to the Respondent. However, the Respondent may make any showing by way of mitigation. The Tribunal will prepare written findings of fact and recommendations for consideration by the Board of Directors. The Tribunal shall make its determination only in accordance with this Responsible Governance Policy. After all testimony and documentary evidence has been presented by the Tribunal, the Tribunal shall vote by secret written ballot upon the matter, with a majority of the entire Tribunal controlling. Disciplinary action and levy of a Default Assessment under the Declaration, the Bylaws, the Rules and Regulations, and any of the other Governing Documents shall be imposed only by the Board of Directors and in accordance with the findings and recommendations of the Tribunal. The Board of Directors may adopt the recommendations of the Tribunal in their entirety or the Board may reduce the proposed penalty and adopt the balance of the recommendations. In no event shall the Board impose more stringent enforcement action than recommended by the Tribunal. The decision of the Board shall be in writing and shall be served and posted in the same manner as the findings and recommendations of the Tribunal. The decision of the Board shall become effective ten days after it is served upon the Respondent, unless otherwise ordered in writing by the Board of Directors. The Board may order a reconsideration at any time within 15 days following service of its decision on the Respondent, on the Board's own motion or on petition by any party. However, no action

against the Respondent arising from the alleged violation shall take effect prior to the expiration of the later of (a) 15 days after the Member's receipt of the Notice of Hearing; or (b) five days after the hearing required herein. A decision must be rendered by the Board of Directors is a precondition to any further appeals by an aggrieved Member.

EXHIBIT I

RESERVE STUDIES

From time to time as determined by the Board of Directors, the Association shall cause a reserve study to be prepared for the portions of the Property maintained, repaired, replaced and improved by the Association. As part of the reserve study, the Association shall determine whether there is funding, and the sources of such funding, relating to the reserve study recommendations, and whether the reserve study is based on a physical and financial analysis. An internal reserve study shall be sufficient for these purposes, but the Board of Directors reserves the right to have a professional reserve study commissioned.

EXHIBIT J

BOARD INFORMATION AND COMMITTEES

All members of the Association Board of Directors shall have available to them all information related to the responsibilities and operation of the Association that is obtained by any other member of the Board of Directors. This information shall include, but is not necessarily 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 member of the Board of Directors or any managing agent, attorney or accountant employed or engaged by the Board of Directors to whom the Board of Directors delegates responsibilities.

Committees of the Association shall be appointed in the manner provided in the Association's governing documents, or if not provided therein, then in accordance with the provisions of C.R.S. §7-128-206. The person appointed to preside over any such committee shall meet the same qualifications as are required by the Association's governing documents for the election or appointment to the Board of Directors.