

**ADDITIONAL RESPONSIBLE GOVERNANCE POLICIES
OF
ALCOVE HOMEOWNERS ASSOCIATION, INC.**

In addition to those Responsible Governance Policies with respect to Section 209.5 of CCIOA set forth in the Bylaws of Alcove Homeowners Association, Inc., a Colorado nonprofit corporation (the "Association"), the following additional Responsible Governance Policies are hereby approved, adopted and ratified as policies of the Association, and comprise Rules. These Policies are to supplement the provisions of the Declaration of Covenants, Conditions and Restrictions for Alcove, a Town Home Planned Community (the "Declaration"), the Maps, and the Articles of Incorporation and Bylaws of the Association (together with these Policies, the "Planned Community Instruments"). Capitalized terms used herein shall have the meanings as defined in the Declaration, unless separately defined in these Policies.

POLICY FOR COLLECTION OF UNPAID ASSESSMENTS AND OTHER CHARGES

1. Due Dates. The General and Limited Assessments as determined by the Association and as allowed for in the Planned Community Instruments shall be levied annually and payable in equal quarterly installments, due and payable on the first day of each quarter of the year for which the assessments are made, or at such other interval as the Board may determine. Any Special Assessments shall be due and payable as specified by the Board. Any Specific Assessment levied pursuant and subject to Section 11.7(b) of the Declaration (a "Default Assessment") shall be due within thirty (30) days after the date of the Default Assessment. Any assessments or other charges not paid in full to the Association on or before the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association when due shall incur interest as provided below.

2. Receipt Date. The Association shall post payments on the day that the payment is received by the Association.

3. Interest; Late Fee; Returned Check Charge. If any assessment (a) remains unpaid fifteen (15) days after the due date, then the Board may assess a "late charge" on the installment in an amount of fifteen percent (15%) of the amount outstanding or such other charge as the Board may fix by rule from time to time, and (b) remains unpaid thirty (30) days after the due date, then the Board may also assess default interest equal to eight (8%) per annum on such assessment, which default interest shall be imposed on the first day of each calendar month, so long as the assessment remains unpaid. In addition, the Association shall be entitled to impose and shall collect a fee equal to that charged by the Association's bank or other amount deemed appropriate by the Board 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. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, 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. Any returned check shall cause an account to be past due if full payment of the Assessment is not made on or before the due date. All interest and fees described in this paragraph are collectively referred to in this Policy as "Late Charges". Any Owner delinquent in the payment of Assessments shall be automatically suspended from voting in Association matters during the period of delinquency.

4. Personal Obligation for Late Charges. Any Late Charges shall be the personal obligation of the Owner(s) of the Lot for which such assessment or installment is unpaid. All Late Charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Payment Plans. Except as otherwise provided in this Section, in the event that an Owner owes past due Assessments or other delinquent payments, including associated fees, Late Charges, other

charges, attorney fees, or fines, the Association shall make a good faith effort to coordinate with the Owner to set up a payment plan that will govern the Owner's payment of the deficiency. Any such payment plan will permit the Owner to pay off the deficiency in equal installments over a period of at least 18 months. In the event the Owner fails to comply with the terms of the payment plan by missing 3 or more payments under the plan, or by failing to remain current with regular Assessments as they come due during the six-month period, the Association may pursue legal action against the Owner. An Owner shall have no right to enter into a payment plan with the Association if such Owner does not occupy the Lot and has acquired the Lot as a result of: (1) a default of a security interest; or (2) foreclosure of the Association's lien. In addition, an Owner shall have no right to enter into a payment plan with the Association, and the Association shall have no obligation to negotiate a payment plan with an Owner, if such Owner has previously entered into a payment plan with the Association for payment of a deficiency.

6. Collection Process. In the event an Owner fails to timely pay Assessments, Late Charges, or other charges as provided herein, the Owner's delinquent account may ultimately be turned over to a collection agency or an attorney for legal action. However, before the Association turns over any delinquent account to a collection agency or attorney for legal action, the Association will, by or through its management company (the "Managing Agent") if applicable, first notify the Owner of the delinquency and will maintain a record of the Association's attempts to contact the Owner (including the type of communication used and date and time of attempted contact). In addition to any other means attempted by the Association, the Association will contact the Owner by first-class mail, text message (if the Association has been provided with a cell phone number), or email (if the Association has been provided with an email address). In communicating with the Owner, the Association will notify the Owner in writing by certified mail, return receipt requested, of the following prior to initiating any other collection action:

(a) The total amount due the Association and an accounting of how such total was determined;

(b) Whether the Owner has the opportunity to enter into a payment plan pursuant to Section 38-33.3-316.3 of CCIOA and instructions for contacting the Association to enter into such a plan;

(c) The name and contact information for the individual that the Owner may contact to request a copy of the Owner's ledger in order to verify the amount owed to the Association;

(d) That the Owner must take action in order to cure the delinquency and that the failure to cure within 30 days after the date of the notice may result in the Owner's account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of the Association's lien against the Lot or the Association pursuing any other remedies available under applicable law;

(e) The method by which payments made will be applied on the delinquent account of the Owner;

(f) The legal remedies available to the Association to collect on an Owner's delinquent account pursuant to the Planned Community Instruments and applicable law; and

(g) Any other information required pursuant to Section 209.5(6) of CCIOA.

7. Attorney Fees and Collections Costs on Delinquent Accounts. As an additional expense permitted under the Declaration and by applicable law, in the event the Association refers a delinquent account to an attorney for legal action as provided under applicable law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be

due and payable immediately when incurred, upon demand. In addition, if a delinquent account is turned over to a collections agency, the Association shall be entitled to reimbursement for collection costs.

8. Application of Payments. All payments received on account of any Owner, shall be applied first to the payment of any delinquent Assessments and then to other amounts owed to the Association (including Default Assessments) in the discretion of the Board.

9. Association's Legal Remedies. In the event an Owner fails to timely pay Assessments, Late Charges, or any other charges or fees related to the Assessments, subject to the provisions of this policy and applicable law, including compliance with the requirements of Section 6 above, the following legal remedies shall be available to the Association to collect on the Owner's delinquent account: use of collections agency; lawsuit against the Owner; filing of a lien statement and foreclosure of the Association's lien on the Owner's Lot, with such lien to also secure reasonable attorney's fees incurred for collection and enforcement of such lien (provided, that the Association may not foreclose solely for Default Assessments); acceleration of all remaining Assessment installments for the remainder of the fiscal year; Owner's payment of reasonable rent to the Association for the Lot, in the event of any foreclosure of a lien on the Lot; and any and all other remedies available under applicable law and/or the Planned Community Instruments. Notwithstanding the foregoing, if the Association collects Assessments on a monthly basis, no legal action will be commenced unless and until the Owner has failed to pay at least 3 such monthly installments of Assessments. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all Assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of Assessments pursuant to applicable law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the assessment and disburses the assessment according to the court's order. The purpose of a receivership for the Association is to obtain payment of current Assessments, reduce past due Assessments and prevent the waste and deterioration of the property.

10. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Association's Managing Agent nor any member of the Board shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

11. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee, within fourteen (14) days of receipt of written request, first class postage prepaid, return receipt, to the Association's Managing Agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a fee to be determined by the Association from time to time. The Association, or its Agent, may charge for such statement. However, if the account has been turned over to the Association's attorney or collection agency, such request may be handled through the attorney or collection agency, as applicable.

12. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the Association, the Managing Agent shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13. Waivers. 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 Board shall determine appropriate under the circumstances.

14. Defenses. Except as expressly provided by applicable law, failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of Assessment fees or

other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

POLICY FOR ENFORCEMENT OF COVENANTS AND RULES

1. Reporting Violations. Complaints regarding alleged violations of the Declaration, Bylaws, Articles of Incorporation, any rules and regulations adopted by the Association, or other Planned Community Instruments may be reported by an Owner or tenants within the Community, a group of Owners or tenants, the Association's Managing Agent, Board member(s) or committee member(s) by submission of a written complaint.

2. Complaints.

(a) Complaints by Owners or tenants shall be in writing and submitted to the Board through the Association's Managing Agent or directly to an officer of the Association. The complaining Owner or tenant shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement (i) describing the alleged violation, (ii) referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information, (iii) an affirmation that the Complainant will cooperate in the enforcement procedures and will provide testimony at any proceedings, hearings or trial which may be necessary, and (iv) the signature of the Complainant and the date on which the complaint is made.

(b) Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

(c) Complaints by a member of the Board, a committee member, or the Managing Agent, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by a Director or Managing Agent.

3. Fines and Enforcement. The Association may, after notice and hearing and opportunity for cure as provided below, levy a Fine for violations of the Planned Community Instruments or otherwise take legal action to enforce the Planned Community Instruments. For the avoidance of any doubt, the following provisions pertain to the Association's rights and remedies for violations of the Planned Community Instruments other than for nonpayment of Assessments.

(a) Non-Emergency Violations. The provisions of this Subsection (A) apply to alleged violations of the Planned Community Instruments that do not threaten the public safety or health.

(i) Notice. The Association shall first give notice of the alleged violation to the Owner and an opportunity for a hearing. The notice shall be delivered (in accordance with the Declaration) not less than 5 days before the proposed hearing. The notice shall be in writing and shall include a general statement describing the alleged violation, the proposed Fine or other action to be taken by the Association, and the date, time and place of the hearing. The affected Owner (or its representative) may participate in the hearing by teleconference or other appropriate electronic communications. If the affected Owner (or its representative) cannot participate in the hearing at the proposed time, then the Owner may request another hearing date and time by responding within the 3 day period following receipt of the notice, provided that such response must include at least 2 alternative dates falling within 30 days of the date of the original notice of hearing.

(ii) Cure. If after the hearing is conducted the Board determines that a violation of the Planned Community Instruments has occurred, the Association shall deliver the Owner written notice of such determination, which such notice must provide that the Owner must cure the violation within 30 days after the date the notice is delivered. If the Association does not receive notice from the Owner within such 30-day cure period (which such notice must include reasonable visual evidence of the cure), then within 7 days after the expiration of the cure period the Association shall

inspect the Owner's Lot and Improvements thereon to determine if the violation has been cured. If the Association determines the violation has not been cured, the Association may impose a Fine but may not pursue other enforcement until the Association has delivered the Owner a second notice providing an additional 30-day period for cure. If the violation remains uncured after the second 30-day cure period, the Association may take such legal action as the Association may determine and that is otherwise available under the Planned Community Instruments or other applicable law.

(b) Emergency Violations. The provisions of this Subsection (b) apply to alleged violations of the Planned Community Instruments that do threaten the public safety or health, as reasonably determined by the Association.

(i) Notice. The Association shall first give notice of the alleged violation to the Owner and an opportunity for a hearing. The notice shall be delivered (in accordance with the Declaration) not less than 1 day before the proposed hearing. The notice shall be in writing and shall include a general statement describing the alleged violation, the proposed Fine or other action to be taken by the Association, and the date, time and place of the hearing. The affected Owner (or its representative) may participate in the hearing by teleconference or other appropriate electronic communications.

(ii) Cure. If after the hearing is conducted the Board determines that a violation of the Planned Community Instruments has occurred, the Association shall deliver the Owner written notice of such determination, which such notice must provide that the Owner must cure the violation within 72 hours after the notice is delivered. If the Association does not receive notice from the Owner within such cure period (which such notice must include reasonable visual evidence of the cure), then the Association shall inspect the Owner's Lot and Improvements thereon to determine if the violation has been cured. If the Association determines the violation has not been cured, the Association may impose a Fine and take such legal action as the Association may determine and that is otherwise available under the Planned Community Instruments or other applicable law.

(c) Hearing. The hearing shall be presided over by the Board or other Impartial Decision Maker. An "**Impartial Decision Maker**" means a Person or group of Persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including its architectural requirements, and the other rules and regulations of the Association, and who do not have any direct personal or financial interest in the outcome. An Impartial Decision Maker shall not be deemed to have a direct personal or financial interest in the outcome if the Impartial Decision Maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. At the hearing, the affected Owner shall have the right, personally or by a representative, to give testimony orally, in writing or both, subject to any reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decisions but shall not bind the Impartial Decision Maker. The Board shall make its records relating to the violation that is the subject of the proposed Fine (other than records of any executive sessions of the Board as described in the Bylaws) available to the affected Owner either prior to or at the hearing. A record of the hearing shall be kept in the same manner as the keeping of minutes of Board meetings. The affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given.

(d) Failure to Appear. If the affected Owner fails to participate at the hearing and does not respond to the hearing notice with a request for an alternate time within the parameters described in subsection 3(a)(i) above, the Board may act without a hearing.

(e) Appeals. Any Owner shall have a right to appeal any Fine imposed after the hearing by filing a written notice of appeal with the Board within 10 days after being notified of the decision. The Board shall conduct an appeal hearing within 45 days of the notice of appeal, giving the same notice and observing the same procedures as required at the original hearing. If no notice of appeal

is delivered within the time set forth above, then the determination at the hearing shall be deemed final and binding. Any decision rendered at an appeals hearing shall be deemed final and binding when rendered by the Board. Unless required by applicable law, no appeal will be deemed to extend or stay the periods for cure set forth above.

(f) Specific Exclusions; General Enforcement. Nothing contained in this Section 3 shall be deemed or construed to limit the Association's right to enforce the provisions of the Planned Community Instruments through any proceedings at law or equity, or through mediation or arbitration, as applicable. Failure of the Association to enforce the Planned Community Instruments will not be deemed a waiver of the right to do so for any subsequent violations or abate and/or limit the accrual of interest on any unpaid Assessments.

(g) Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

- (i) First violation: Warning letter
- (ii) Second violation (of same covenant or rule): \$175.00
- (iii) Third and subsequent violation (of same covenant or rule): \$500.00.

Third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Violations of a continuing nature shall, in the Board's discretion, constitute a separate violation for each 24 hour period the violation exists, provided that daily Fines will not be imposed unless and except as permitted by applicable law.

4. Waiver of Enforcement. The Board may waive all, or any portion, of any fines and any other enforcement action if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition any waiver upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or other Planned Community Instruments. The decision to pursue fines or other enforcement action in any particular case shall be left to the Board's discretion. Such a decision shall not be construed as a waiver of the Association's right to impose fines or take other enforcement action at a later time under other circumstances, or preclude the Association from enforcing any other covenant, restriction, policy, procedure, rule or guideline.

5. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through the Planned Community Instruments and applicable law. The use of this process does not preclude the Association from using any other enforcement means or imposing other remedies, to the extent permitted under applicable law, including, without limitation, after providing a written notice of violation (with a ten (10) day right of the alleged Violator to request a hearing) pursuant to the procedures above:

- (a) suspending an Owner's right to vote;
- (b) suspending any Person's right to use Common Elements within the Community; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;
- (c) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than fifteen (15) days delinquent in paying any Assessment or other charge owed to the Association;

- (d) exercising self-help to abate any violation of the Association Documents;
- (e) without liability to any Person, prohibiting any contractor, subcontractor, agent, employee or other Guest of an Owner who fails to comply with the terms and provisions of the Planned Community Instruments from continuing or performing any further activities within the Community;
- (f) towing vehicles which are parked in violation of the Declaration or the Rules;
- (g) filing a suit at law or in equity to enjoin a violation of the Planned Community Instruments, to compel compliance with the Planned Community Instruments, to recover monetary penalties or money damages, or to obtain such other relief as to which the Association may be entitled;
- (h) recording a written notice of a violation by any Owner of any restriction or provision of the Planned Community Instruments, which notice shall be executed and acknowledged by an officer of the Association and shall contain substantially the following information: (1) the name of the Owner; (2) the legal description of the Lot against which the notice is being recorded; (3) a brief description of the nature of the violation; (4) a statement that the notice is being recorded by the Association pursuant to the Planned Community Instruments; and (5) a statement of the specific steps which must be taken by the Owner to cure the violation; and
- (i) taking legal action without the necessity of advance notice of violation if the Board determines that immediate relief is necessary.

6. Charges. Any Owner assessed herein shall pay any charges imposed within thirty (30) days of notification that such charges are due. Failure to make the payment on time shall subject the Owner to all of the legal or equitable remedies necessary for the collection thereof, including, without limitation, the Association's right to assert a lien against the Lot in accordance with applicable law. All charges imposed herein shall be added to the Owner's account and shall be collectible as an assessment in the same manner as any regular or special assessment against the Lot.

7. Time of the Essence/Notices. Time is of the essence of this policy. Notices are deemed delivered either:

- (a) At the time of delivery if by personal delivery; or
- (b) On the second business day after deposit in the United States Mail.

POLICY FOR DISPUTE RESOLUTION

The mandatory dispute resolution policies set forth in Article XV of the Declaration are established and reaffirmed such mandatory procedures as the Dispute Resolution Policy of the Association.

POLICIES FOR INVESTMENT OF RESERVE FUNDS AND PERFORMANCE OF RESERVE STUDY

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, and to manage reserve funds, if any, the Board determines that it is necessary to have policies and procedures for the investment of reserve funds and for the performance of a reserve study.

2. Purpose of the Reserve Fund. The purpose of the Reserve Fund) shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board may determine.

3. Investment of Reserves. The Board shall invest funds held in the Reserve Fund accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria, and policies:

(a) *Safety of Principal*. Promote and ensure the preservation of the Reserve Fund's principal.

(b) *Liquidity and Accessibility*. Structure maturities to ensure availability of assets for projected or unexpected expenditures.

(c) *Minimal Costs*. Minimize investment costs (redemption fees, commissions, and other transactional costs).

(d) *Diversify*. Mitigate the effects of interest rate volatility upon reserve assets.

(e) *Return*. Funds should be invested to seek a reasonable rate of return within the confines of the other general principles set forth in this Policy.

4. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.

5. Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.

6. Independent Professional Investment Assistance. The Board may in its discretion, but shall not be obligated to, hire a qualified investment counselor to assist in formulating a specific investment strategy.

7. Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

8. Reserve Study. In order to determine funding of the Reserve Fund, the Board may, but shall not be obligated to, determine, with the assistance and advice of professionals if so requested by the Board, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study"). Although it shall have no obligation to cause a Reserve Study to be prepared at all, the Board may cause a Reserve Study to be prepared at such time as is determined in the sole discretion of the

Board. The Reserve Study shall be based on a physical analysis and financial analysis. Any Reserve Study may be conducted internally by the Association.

9. Funding Plan. In the event a Reserve Study recommends any work, the funding plan for such work shall be as determined by the Board in the exercise of its business judgment and with regard to the recommendations of the Reserve Study. The Reserve Fund is the projected source of funding for any work recommended by the Reserve Study. The Reserve Fund shall be funded through regular assessments and, when necessary, special assessments levied by the Association.

10. Review of Reserve Study. The Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.

11. Standard of Conduct. With regard to the investment of the Reserve Fund, the officers and Directors of the Association shall discharge such persons' duties as a Director or officer:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner the Director or officer reasonably believes to be in the best interests of the Association.

POLICY FOR ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, RULES, REGULATIONS AND GUIDELINES

1. Scope. The Board may, from time to time, adopt certain Policies, Procedures, Rules, Regulations and Guidelines (“Association Rules”) as may be necessary to facilitate the efficient operation of the Association, including the administration of the Common Elements, the clarification of ambiguous provisions in other documents, to provide for effective communication and procedures regarding the operation of the Association, or as may be required by law.

2. Procedures to Adopt Association Rules. In order to encourage Owner participation in the development of the Association Rules and to insure that such Association Rules are necessary and properly organized, the Board shall follow the following procedures when adopting any Association Rules.

(a) Drafting Procedure. The Board shall consider the following in drafting the Association Rule:

(i) whether the Planned Community Instruments or applicable law grants the Board the authority to adopt such an Association Rule;

(ii) the need for such Association Rule based upon the scope and importance of the issue and whether the Planned Community Instruments adequately address the issue; and

(iii) the immediate and long-term impact and implications of the Association Rule.

(b) Notice and Comment. A copy of the proposed Association Rule shall be provided to all Owners or posted on the Association's website, if any, and Owners shall be allowed a minimum of thirty (30) days to provide comment and/or feedback on the proposed Association Rule. The adoption of every Association Rule shall also be listed on the agenda for the Board meeting prior to adoption by the Board and any Owner who wishes to comment on the proposed Association Rule shall be afforded such opportunity in compliance with applicable law. The Board shall consider such comments that it receives, but is not required, however, to include any such comments, nor is the adoption or content of any such Association Rule required to be approved by any of the Owners.

(c) Emergency. The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Association Rule, or if the Association Rule is necessary for the Board to carry out its functions prior to the expiration of the notice and comment period.

(d) Adoption Procedure. After the period for Owner comment expires, the Board may adopt any Association Rule. Upon adoption of an Association Rule, the Association Rule or notice of such Association Rule (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board that complies with the requirements of applicable law, including but not limited to posting on the Association's website, if any. The Board shall keep a copy of all Association Rules at the Association's principal place of business.

3. Restrictions on Association Rule-Making. Except as may be set forth in the Declaration (either initially or by amendment) or in the initial Association Rules, all Association Rules shall comply with the following provisions:

(a) No Association Rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Elements to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Elements available, from adopting generally applicable rules for use of such property or from denying use privileges to those who are delinquent in paying Assessments, abuse the Common Elements, or violate the Planned Community Instruments. This provision does not affect the right to increase the amount of Assessments as provided in the Declaration.

(b) No Association Rule or action by the Association shall unreasonably impede Declarant's right to develop the Community, to market and sell Lots, or to exercise any other right reserved to Declarant in the Planned Community Instruments.