WHETSTONE INDUSTRIAL PARK LOT OWNERS ASSOCIATION, INC.

REGULATIONS AND DESIGN GUIDELINES

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Whetstone Industrial Park Lot Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), for the purpose of complying with C.R.S. § 38-33.3-209.5, hereby adopts the following responsible governance policies, procedures, and rules and regulations. Unless otherwise defined herein, terms defined in the Declaration of Protective Covenants Whetstone Industrial Park as recorded in the real property records of Gunnison County, Colorado at Reception No. 654064, as amended (the "Covenants"), and the Association's Articles of Incorporation (the "Articles") and the Association's bylaws, as amended (the "Bylaws") shall have the same meaning herein. The Declaration, plat, Articles, and Bylaws shall hereafter be collectively referred to as the "Governing Documents." These responsible governance policies supersede and replace all prior responsible governance policies.

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

1. Unless otherwise stated in the notice for an assessment, all assessments are due within thirty days of the date of notice for such assessment. Any assessment is delinquent if not paid within thirty days of its due date.

2. Interest on delinquent assessments, including recovery of attorneys' fees incurred in pursuing delinquent assessments, is 18% per annum from the date the assessments became delinquent, which shall be charged at the rate of 1.5% per month.

3. A late charge of 10% on the amount due and owing on a delinquent assessment shall be assessed.

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

5. Owners are personally liable for all assessments, delinquencies, late charges and other amounts. All Lots are encumbered by a lien to secure their respective Owners' payment of these amounts. To the fullest extent permitted by law, the Association will not permit delinquencies to persist and will act immediately, within the timeframes provided by law, to enforce its rights to recover assessments through judicial action, including personal lawsuits against Owners and judicial foreclosure of Lots as the Board of Directors deems appropriate.

6. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a notice of delinquency specifying:

    A. The total amount due, with an accounting of how the total was determined;
    B. Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan;
    C. The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and

D. That action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

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

8. Any payment plan shall permit the delinquent Owner to pay off the deficiency in equal installments over a period of at least six months. The Board of Directors of the Association, in its sole discretion, may determine whether a payment plan should exceed six months in duration, and no Owner shall have any right to demand or request a payment plan for in excess of six months. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the six-month period, constitutes a failure to comply with the terms of his or her payment plan.

9. Payments on a delinquent account of an Owner are applied first to unpaid interest and other costs or fees, and then to unpaid principal.

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

11. In determining which methods of enforcement to employ, it shall be the policy of the Association that the person or persons making such decision on behalf of the Association take into consideration, to the extent legally permissible, the totality of the circumstances, including without limitation any history with the Owner.

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

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

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

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

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

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

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

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

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

1. Annual and special meetings of the Association and meetings of the Board of Directors shall be held in accordance with, and upon such notice as required by, Colorado law and the Governing Documents. The conduct of all meetings shall be in accordance with the Governing Documents and Colorado law. To the extent not otherwise provided by the Governing Documents and Colorado law, it shall be the policy of the Association that all Owners shall be provided a reasonable opportunity to speak and be heard on any item on which action is proposed prior to any action being taken at any meeting of the membership, Board of Directors, and any committee thereof.

2. To the extent not otherwise provided for by the Governing Documents and applicable law, meetings shall be conducted generally in accordance with Robert's Rules of Order where applicable. Any non-compliance with Robert's Rules of Order shall not affect the validity of the actions taken at a meeting. Any objection to the conduct of a meeting premised upon the non-compliance with Robert's Rules of Order must specify the failure to comply with Robert's Rules of Order, explain how such failure may be remedied, and be raised at the time of such non-compliance.

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

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

2. All enforcement procedures shall comply with the Governing Documents and any applicable law.

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

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

   B. Such Owner shall be provided with a written notice describing the alleged violation in sufficient detail to allow the Owner to determine the nature of the violation alleged if the Board of Directors decides to enforce such provision. Such notice shall: (1) set a deadline for compliance, (2) inform the Owner that the Owner may dispute that a violation exists or occurred and demand a hearing, and (3) set a deadline to demand a hearing. These deadlines shall be set by the Board of Directors in accordance with what the Board of Directors believes to be reasonable under the circumstances taking into consideration the nature of the alleged violation. In no event shall these deadlines be less than 3 business days.

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

4. The schedule of fines for violations shall be as follows:
   A. First violation: $100 per violation.
   B. Second violation: $200 per violation.

C. Third violation and all violations thereafter: $300 per violation.
D. Violations of a continuing nature will be treated as a new violation each day they remain in existence.

5. All fines are immediately due and payable when imposed. A fine becomes late if not paid within 30 days of being imposed and such late fines will be delinquent assessments and earn interest and otherwise be treated as delinquent assessments. Any violation which is continuing in nature and is not stopped, halted removed or otherwise ceased within seven business days of the board's finding of such violation, shall be deemed a continuing violation and a new violation for each day that it continues.

6. The Association may at any time, pursue all other legal remedies available as provided by the Governing Documents and applicable law. The failure to enforce any provision of the Governing Documents, these rules or other applicable law, shall not be deemed a waiver of the right to do so for any subsequent violations. In all instances, the imposition of a fine in an amount less than the maximum possible fine will not preclude the Association from imposing the maximum fine allowable under this section for subsequent offenses. Any non-compliance with the Governing Documents by any Owner, tenant of an Owner, guest of an Owner, family member of an Owner, or invitee or licensee of an Owner, will be the responsibility of the Owner.

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

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

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

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

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

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

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

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

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

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

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

Article 9: Additional Rules and Regulations

1. Swimming. Swimming in water located within the Property, including all ponds, is expressly prohibited.
2. Agricultural Uses. In the event that any cattle from any adjacent agricultural operation enter into the subdivision, Owners are to promptly notify the owner or operator of the agricultural operation.

Article 10: Design Guidelines

1. Fee: The initial fee for review of plans shall be $300.00.
2. Plans: All plans must be submitted electronically. The plans that must be submitted shall include:
   a. A copy of the builder's plans for construction of any Improvement or, if the Improvement is of a nature that no building plans are appropriate, a drawing depicting the proposed Improvement.
   b. A site plan or other depiction of the location of the proposed Improvement on the Lot as well as the location of the septic system. The site plan must depict all Improvements, including driveways, culverts, fencing, and landscaping.

c. A drainage plan, which may be a narrative.
d. A narrative description of any existing or proposed business on the Lot that includes hours of operations, location of parking and an estimate of traffic.
e. Samples of exterior materials, in the form of electronic copies of brochures, website images or other similar electronic data that is provided by the manufacturer in the form provided by the manufacturer.

3. Standards:
   a. Though this is an industrial area, the location is one of natural beauty. All designs should be harmonious with the natural beauty of the area and exterior finishes should be comprised primarily of natural earth tones.
   b. No reflective exterior finish, including roofing, shall be permitted. Signage is not permitted on roofs.
   c. All requests for new Buildings shall include landscaping that mitigates the impact of the new Building on the natural beauty of the site.
   d. All electrical, telephone and other lines shall be buried.
   e. Antennas and satellite dishes shall not be permitted except if reasonably required for a business located on a Lot and, in such event, shall be screened such that it is not visible from Highway 135 or adjacent Lots.
   f. Any Lot with more than four shipping containers or storage containers that are substantially similar to shipping containers must fully screen all shipping containers and substantially similar storage containers.
   g. All snow stored on Open Space 2 must be free of contaminates other than contaminates that are usual and customary in the ordinary course of snow removal, such as dirt picked up in the course of snow removal. All snow stored on Open Space 2 must be moved to Open Space 2 within 72 hours of snowfall. Snow contaminated with any petrochemicals shall not be permitted to be stored on Open Space 2.
   h. All screening must be at least 10 feet in height with the exception that where an Owner demonstrates that 8 feet in height will be more than sufficient to fully screen the operations on a lot from view from all other Lots in the subdivision, 8 feet may be acceptable. Mesh screening is prohibited. Lap strake and similar screening is permitted when the design and colors are harmonious with the natural environment.
   i. A "Junkyard" is any storage yard for passenger vehicles, snowmobiles, ATVs, motor homes, side-by-sides, boats, campers, and/or trailers outdoors in a disorganized or haphazard manner. The location and manner of storage is disorganized and haphazard if it is not in well-established rows with clearly identified parking spaces, all of which must be fully screened. A "Junkyard" also includes a parts yard or similar operation in which parts are removed from a vehicle.

4. Approval. Within 30 days of submission of complete plans, the Board, or any design review committee appointed by the Board, shall approve or disapprove the plans in writing.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of the Association, certifies that the foregoing was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors on November 7, 2018, and in witness thereof, the undersigned has subscribed his or her name.

Whetstone Industrial Park Lot Owners Association, Inc., a Colorado nonprofit corporation

William J. Lacy Jr.

By: William J. Lacy Jr., Secretary