

## 620 Pearl Street Residences

### ADOPTION OF POLICIES, PROCEDURES, RULES, REGULATIONS & GUIDELINES

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In accordance with the Colorado Common Interest Ownership Act (CCIOA), the 620 Pearl Street Residences (The Association) Board of Directors (The Board) hereby adopts the following Policy regarding adoption of policies, procedure, rules, regulations and guidelines:

A. SCOPE. The Board of Directors may, from time to time, adopt and amend certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board of Directors shall follow the following procedures when adopting any Policy.

B. DRAFTING PROCEDURE. The Board of Directors shall consider the following in drafting any Policy:

- i. whether the governing documents or Colorado law grants the Board of Directors the authority to adopt such a Policy;
- ii. the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
- iii. the immediate and long-term impact and implications of the Policy.

C. NOTICE AND COMMENT. The adoption of every Policy shall be listed on the agenda for the Board of Directors meeting prior to adoption by the Board of Directors and any Owner who wishes to comment on the proposed Policy shall be afforded such opportunity in compliance with Colorado law.

D. EMERGENCY. The Board of Directors may forego the notice and opportunity to comment in the event the Board of Directors determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy.

E. ADOPTION PROCEDURE. After the period for Owner comment expires, the Board of Directors may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy, including the effective date, shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board of Directors, including, but not limited to, posting on the Association's website (if any) or mailing.

F. POLICY BOOK. The Board of Directors shall keep copies of any and all adopted Policies in a book designated as a Policy book. The Board of Directors may further categorize Policies, procedures, Rules and regulations, resolutions and guidelines but shall not be required to do so.

**Amendment:** This Policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Adoption of Policies, Procedures, Rules, Regulations and Guidelines was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES

A Colorado nonprofit corporation

By:  \_\_\_\_\_

President

## 620 Pearl Street Residences

### COLLECTION POLICY

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In accordance with the Colorado Common Interest Ownership Act (CCIOA), the 620 Pearl Street Residences (The Association) Board of Directors (The Board) hereby adopts the following Policy regarding the collection of assessments and other charges.

A. DUE DATES. The installments of the annual Assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on a monthly basis (January 1, February 1, etc.) each year, or as otherwise specified by the Board of Directors. Assessments or other charges not paid in full to the Association within fifteen (15) days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within fifteen (15) days of the due date shall incur late fees and interest as provided below.

B. RECEIPT DATE. The Association shall post payments on the day that the payment is received in the Association's office.

C. LATE CHARGES ON DELINQUENT INSTALLMENTS. In the event that any Assessment becomes fifteen (15) days past due, the Association shall impose on a monthly basis a late charge of Fifty Dollars (\$50.00). In the event that any Assessment becomes thirty (30) days past due, the Association may impose interest from the date due at the rate of Twelve Percent (12%) per annum until the Assessment is paid in full. All late charges and interest shall be a Common Expense for the relevant Owner and shall be due and payable immediately, without notice.

D. RETURN CHECK CHARGES. In addition to any and all charges imposed under the Declaration, the Articles of Incorporation, the Bylaws, the Rules and this Resolution, a Twenty Five Dollar (\$25.00) fee or other amount deemed appropriate by the Board of Directors 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. This returned check charge shall be a Common Expense for each Owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Lot for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles of Incorporation, Bylaws, Rules or this Resolution after the date adopted as shown above. If two (2) or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of such Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual Assessment is not timely made within fifteen (15) days of the due date.

E. ATTORNEY FEES ON DELINQUENT ACCOUNTS. As an additional expense permitted under the Declaration and by Colorado 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 and costs incurred by the Association shall be due and payable immediately when incurred, upon demand.

Notwithstanding the foregoing, no attorney fees shall be assessed to any delinquent Owner until all notice requirements set forth in this Policy have been complied with.

F. PERSONAL OBLIGATION FOR CHARGES AND FEES. All late charges, return check charges and attorneys fees and costs charged under this Resolution, the Declaration or pursuant to Colorado law and in accordance with this Policy shall be the personal obligation of the Owner(s) of the Lot for which such Assessment or installment is unpaid.

G. APPLICATION OF PAYMENTS. All payments received on account of any Owner or the Owner's Lot (hereinafter collectively "**Owner**"), shall be applied first to past due assessments prior to application of the payment to outstanding fines, legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges and interest, returned check charges, and any other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles of Incorporation, Bylaws, Rules, or this Resolution.

H. NOTICE TO OWNER; COLLECTION PROCESS.

(i) The Association shall send monthly notices to any Owner with an outstanding balance (the "**First Notice**"). The First Notice must be mailed by first-class mail and email, if the Owner has provided the Association with an email address. The First Notice must include an itemized listing of the past due amount and the category of each such amount past due (assessments, fines, fees, or other charges owed to the Association).

(ii) After an installment of the annual Assessment or other charges due to the Association becomes more than thirty (30) days delinquent, and before the Association turns over a delinquent account to a collection agency or an attorney for collection, the Association (or its managing agent) shall send the Owner a written notice ("**Second Notice**") of non-payment. The Second Notice must be delivered to the delinquent Owner by certified mail, return receipt requested, and by posting on the front door or other conspicuous place at the Owner's Lot. Additionally, the Association must contact the Owner by first class mail, text message, or email. The costs associated with posting the Second Notice shall be charged to the delinquent Owner. The Second Notice shall include the following:

(a) An itemization of the past due balance, listing the past due amount broken down into past due assessments, fines, fees, or other charges owed to the Association;

(b) Notification that unless the Owner: (i) does not occupy the Lot and acquired the Lot through either: (A) a default of a security interest encumbering the Lot; or (B) foreclosure of the Association's lien; or (ii) has already entered into a current Payment Plan as provided herein, then the Owner will have an opportunity to enter into a payment plan that allows the Owner to pay off the past due amount in eighteen (18) months, with monthly payments of no less than Twenty-Five Dollars (\$25.00) per month ("**Payment Plan**");

(c) Notification that such Payment Plan does not relieve the Owner of its obligations to remain current with payment of Assessments as they come due during the term of the Payment Plan, and that if the Owner does not comply with the Payment Plan, the Association may commence legal action against the Owner pursuant to this policy;

(d) Notification that an Owner who enters into a Payment Plan may pay the full past due amount at any time, without penalty;

(e) The contact information for the Association's property manager in the event that the delinquent Owner wishes to enter into a payment plan or has questions regarding the amounts due to the Association;

(f) Notification that action is required to cure the Owner's delinquency, and that if no action is taken within thirty (30) days following the date of the Second Notice, the Association may pursue any remedies available under Colorado law, including, without limitation, turning the Owner's past due account over to a collection agency or attorney, filing a lawsuit against the Owner, filing a lien against the Owner's Lot (and, if the delinquency is related to nonpayment of Assessments, foreclosing on such lien); and recovering attorney fees and collection costs for any such action of the Association; and

(g) A description of the steps the Association must take before commencing legal action relating to the delinquency and the legal action that may be taken by the Association (including a description of the types of actions that the Association or Owner may take to small claims court).

(iii) The Association must keep a written record of all attempts to contact an Owner regarding a delinquency (including, without limitation, any First Notice or Second Notice hereunder), specifically including the date and time of each attempt and the methods by which the Association made each attempt.

(iv) Any Owner may designate another contact person for the Association to contact regarding any delinquency (the "**Owner's Designee**"). Such designation shall be made in writing and delivered to the Association. If an Owner has designated an Owner's Designee, the Association shall send all notices to both the Owner and the Owner's Designee.

(v) Any Owner may direct the Association that all notices to Owner regarding delinquency are to be in Owner's preferred language. Such direction must be made in writing and delivered to the Association. Following its receipt of such direction, all notices to Owner must be made in Owner's preferred language and in English. To the extent permissible by law, the cost associated with translating any notice into Owner's preferred language will be charged to such Owner.

(vi) If after thirty (30) days after providing the Second Notice, the Owner has not responded, has not cured the delinquency, and/or has declined to enter into a Payment Plan, the Association may commence collection efforts in accordance with this Policy.

(vii) An Owner will be deemed to have failed to comply with the terms of Payment Plan if the Owner fails to remit payment of three (3) or more agreed-upon installments under such Payment Plan, or if the Owner fails to remain current with regular assessments as they come due for the duration of such Payment Plan. In such event, the Association may commence collection efforts in accordance with this Policy.

(viii) In the event that an owner has not cured its delinquency within thirty (30) days after the date of the Second Notice, the Association (or its attorney, as applicable) may pursue any or all of the following remedies:

(a) File an assessment lien against the delinquent Owner's Lot;

(b) Turn the delinquent Owner's account over to an attorney or collection agency for collection;

(c) Commence and maintain legal proceedings (including personal judgments and/or foreclosure actions) for the recovery of delinquent Assessments, late fees, and attorney fees and costs allowable by the Association Documents or the Act;

- (d) Pursue collection of judgments obtained against the Owner;
- (e) Take any other lawful action necessary to collect delinquent Assessments in accordance with the Association Documents and the Act; and
- (f) Suspend the voting rights of the delinquent Owner for the duration of the delinquency.

(ix) Prior to commencing any collection efforts in accordance with this Policy, the majority of the Association's Board of Directors must vote to pursue such action against the delinquent Owner in an open meeting held in compliance with the Association's Conduct of Meetings Policy, and the delinquent Owner must be invited to attend. The Board shall record its vote. The Association's managing agent may not commence any collection action without first obtaining Board authorization to do so.

The Association's failure to pursue any of its options for recovery shall not be construed as a waiver or release of a delinquent Owner's obligations to pay Assessments or the Association's rights of recovery as set forth in this Policy.

(x) If the Association pursues foreclosure of its assessment lien against an Owner's Lot, the following parties may not purchase such lot: (a) any member of the Association's Board of Directors; (b) the Association's managing agent or its owners or employees; (c) the Association's legal representative or its owners or employees; or (d) any family member of the foregoing persons or entities.

I. BANKRUPTCIES AND FORECLOSURES. Upon receipt of any notice of a bankruptcy filing or foreclosure notice regarding an Owner or Lot with unpaid Assessments, the Association shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

J. REFERRAL OF DELINQUENT ACCOUNTS TO ATTORNEYS. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. The attorney, in consultation with the managing agent, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- i. Filing of a suit against the delinquent Owner for a monetary judgment;
- ii. Instituting a judicial foreclosure action of the Association's lien;
- iii. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- iv. Filing a court action seeking appointment of a receiver.

Upon referral of any matter to the Association's attorney, the Association shall promptly pay the attorney's usual and customary charges as well as any costs incurred by the attorney on the Association's behalf upon receipt of the invoice from the attorney.

K. APPOINTMENT OF A RECEIVER. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of Assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents 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 Community.

L. 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 Association shall determine appropriate under the circumstances.

M. 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 managing agent nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner or any other person after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

N. DEFENSES. To the extent allowable under the Act, the failure of the Association to comply with any provision in this Resolution 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 Resolution or otherwise allowed or provided for under the Declaration or pursuant to Colorado law.

**Waiver:** Failure of the Association to comply with any provision in this policy shall not be deemed a defense to payment of assessment fees, reserve contributions, heating assessments or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

**Amendment:** This Policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Collection Policy was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES  
A Colorado nonprofit corporation

By:  \_\_\_\_\_  
President

## 620 Pearl Street Residences

### CONDUCT OF MEETINGS POLICY

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In accordance with the Colorado Common Interest Ownership Act (CCIOA), the 620 Pearl Street Residences (The Association) Board of Directors (The Board) hereby adopts the following Policy regarding the conduct of meetings:

A. OWNER MEETINGS. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

i. Notice.

(a) The Association shall post notice on its website (if any) or other conspicuous place within the Community (if feasible), of all meetings. Such notice shall be posted 10-50 days prior to such meeting.

(b) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Owner meetings to such Owner at the email address provided as soon as possible after notice is provided pursuant to the Bylaws but in no case less than 24 hours prior to any such meeting.

ii. Conduct. All Owner meetings shall be governed by the following rules of conduct and order:

(a) The President of the Association or designee shall chair all Owner meetings.

(b) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate (see section below regarding voting).

(c) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.

(d) Anyone wishing to speak must first be recognized by the President.

(e) Only one person may speak at a time.

(f) Each person who speaks shall first state his or her name and address.

(g) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.

(h) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.

(i) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.

(j) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board of Directors may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding



of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the President, but shall be uniform for all persons addressing the meeting.

(k) All actions and/or decisions will require a first and second motion.

(l) Once a vote has been taken, there will be no further discussion regarding that topic.

(m) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the Association.

(n) Anyone disrupting the meeting, as determined by the President, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.

(o) The President may establish such additional rules of order as may be necessary from time to time.

iii. Voting. All votes at Owner meetings shall be taken as follows:

(a) Election of members of the Board of Directors shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

(b) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law; provided, however, that upon the request of 20% or more of the Owners present at the meeting or represented by proxies, other votes may also be determined by secret ballot in accordance with sub-clause (a) above.

(c) Written ballots shall be counted by a neutral third party or by a committee of Owner(s) who are not directors or candidates selected randomly from a pool of two or more Owners or otherwise in compliance with applicable law. The Chair shall specify the procedure for randomly selecting the Owner(s). Such procedure shall ensure that the Owner(s) selected is done so without being chosen by the Chair, Board of Directors or any candidates.

(d) The individual(s) counting the ballots shall report the results of the vote to the President by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

iv. Proxies. Proxies may be given by any Owner as allowed by C.R.S. § 7-127-203. All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (a) Validity of the signature
- (b) Signatory's authority to sign for the Owner
- (c) Authority of the Owner to vote
- (d) Conflicting proxies

(e) Expiration of the proxy

B. BOARD OF DIRECTORS MEETINGS. Meetings of the Board of Directors shall be called pursuant to the Bylaws of the Association.

i. Conduct. All Board of Directors meetings shall be governed by the following rules of conduct and order:

(a) The President, or designee, shall chair all Board of Directors meetings.

(b) All persons who attend a meeting of the Board of Directors shall be required to sign in, listing their names and addresses.

(c) Anyone desiring to speak shall first be recognized by the President and shall be given the opportunity to speak before the Board of Directors votes on the issue being addressed.

(d) Only one person may speak at a time.

(e) Each person speaking shall first state his or her name and Lot address.

(f) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them.

(g) Those addressing the Board of Directors shall be permitted to speak without interruption from anyone as long as these rules are followed.

(h) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.

(i) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once on any issue prior to a vote by the Board of Directors on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the President but shall be uniform for all persons addressing the meeting.

(j) No meeting of the Board of Directors may be audio, video or otherwise recorded except by the Board of Directors to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

(k) Anyone disrupting the meeting, as determined by the President, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

ii. Executive Sessions. Matters for discussion by an executive or closed-door session of the Board of Directors shall be limited to those matters set forth in § 308 of the Act, and may be further limited by the Bylaws. Any Owner who is the subject of a disciplinary hearing or vote regarding collections held in executive session may request and receive the results of any vote taken at such meeting.

**Amendment:** This Policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Conduct of Meetings Policy was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES

A Colorado nonprofit corporation

By:  \_\_\_\_\_

President

## 620 Pearl Street Residences

### CONFLICT OF INTEREST POLICY

In accordance with the Colorado Common Interest Ownership Act (CCIOA), the 620 Pearl Street Residences (The Association) Board of Directors (The Board) hereby adopts the following Policy regarding conflicts of interest:

A. DISCLOSURE OF CONFLICT. Any conflicting interest transaction (as defined in C.R.S. §7-128-501) on the part of any Director shall be disclosed to the other Directors at the first meeting of the Board of Directors at which there is scheduled any discussion or vote on the matter. The interested Director may participate in the discussion or vote on the matter only in accordance with C.R.S. §7-128-501. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

B. FAILURE TO DISCLOSE CONFLICT. A conflicting interest transaction will not be void or voidable and may not be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member of the Association or by or in the right of the Association, solely because the conflicting interest transaction involves a Director or a party related to a Director or an entity in which a Director is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Board or of the committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if: (i) the material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested directors are less than a quorum; (ii) the material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or (iii) the conflicting interest transaction is fair as to the Association. For purposes of the foregoing, common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction. If a contract or decision made in violation of this Resolution is deemed void and unenforceable, the Board, at the next meeting of the Board, shall vote again on such contract, decision or other action taken in violation of this Resolution.

**Amendment:** This Policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Conflict of Interest Policy was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES  
A Colorado nonprofit corporation

By:  \_\_\_\_\_

President

## 620 Pearl Street Residences

### COVENANT AND RULE ENFORCEMENT POLICY

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In accordance with the Colorado Common Interest Ownership Act (CCIOA), the 620 Pearl Street Residences (The Association) Board of Directors (The Board) hereby adopts the following Policy regarding covenant and rule enforcement:

A. REPORTING VIOLATIONS. Complaints regarding alleged violations of the Rules, the Articles of Incorporation or Bylaws of the Association, and/or the Declaration ("**Complaint**") may be reported by an Owner within the Community, a group of Owners within the Community, the managing agent, if any, any Director or any committee member(s) by submission of a written Complaint to the Board.

B. COMPLAINTS.

i. Complaints by Owners within the Community shall be in writing and submitted to the Board of Directors. The complaining Owner shall have observed the alleged violation and shall identify the complainant ("**Complainant**"), the alleged violator (herein, "**Violator**" or "**Owner**"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions that are alleged to have been violated, when the violation was observed and any other pertinent information. 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.

ii. Complaints by a Director, a committee member, or the managing agent, if any, may be made in writing to the Board of Directors or by any other means deemed appropriate by the Board of Directors if such violation was observed by a Director, committee member or managing agent.

B. INVESTIGATION. Upon receipt of a Complaint by the Board, if additional information is needed, the Complaint may be returned to the Complainant with a request for additional information or may be investigated further by a Board-designated individual or committee. The Board of Directors shall have sole discretion in appointing an individual or committee to investigate the matter; however, the individual or committee so appointed shall conduct a fair and impartial fact-finding process to determine whether the alleged violation actually occurred and whether the alleged Violator should be held responsible for such violation.

C. WARNING LETTER. If a violation is found to exist, a warning letter (the "**Notice**") from the Board of Directors or the managing agent to the Violator explaining the nature of the violation. All Notices and correspondence pursuant to this Policy shall be sent by certified mail, return receipt requested, to the Violator's address, and also sent to any email address for the Violator provided to the Association. All Notices and correspondence pursuant to this Policy shall be in English and in the Owner's preferred language as designated in writing to the Association.

i. If the violation threatens public safety or health, the Notice will describe the nature of the violation and advise the Violator that the violation must be corrected within seventy-two (72) hours; otherwise, fines may be assessed and the Association may seek to remedy the violation and otherwise protect its rights as set forth in the Association Documents and this Resolution. At the conclusion of the seventy-two (72)

hour period, the Association shall inspect the Violator's property to determine if the violation has been corrected. If the violation has not been corrected, the Association may impose fines as set forth in this Policy and take such other legal action as the Association deems appropriate to correct the violation.

ii. If the violation does not threaten public safety or health, the Notice will describe the nature of the violation and advise the Violator that the violation must be corrected within thirty (30) days; otherwise, fines may be assessed and the Association may seek to remedy the violation and otherwise protect its rights as set forth in the Association Documents and this Resolution. No later than seven (7) days following the conclusion of the thirty (30) day period, the Association shall inspect the Violator's property to determine whether the violation has been corrected. If the violation has not been corrected, the Association shall send a second Notice to the Violator advising that the violation has not been corrected and that the Violator has an additional thirty (30) days to correct the violation or may be fined, and that the Association may seek to remedy the violation and otherwise protect its rights as specified in the Association Documents and as provided by law. No later than seven (7) days following the conclusion of the second thirty (30) day period, the Association shall inspect the Violator's property to determine whether the violation has been corrected. If, at the conclusion of the second thirty (30) day period the violation has still not been corrected, the Association may impose fines as set forth in this Policy and take such other legal action as the Association deems appropriate to correct the violation.

(a) Before the expiration of either the first or second thirty (30) day cure period, the Violator may send the Association written notice that the violation has been cured, with visual evidence of the same, and the violation will be deemed cured as of the date the Violator sends such notice. If a notice of cured violation does not include visual evidence of the cure, then the Association shall inspect the Violator's property as soon as practicable to verify that the violation has been cured.

iii. If the Association determines a violation has been cured, the Association shall promptly notify the Owner that the violation has been cured and that the Owner will not be further fined with regard to the violation. The notice shall provide an accounting of any outstanding fine balance owed to the Association.

D. CONTINUED VIOLATION AFTER WARNING LETTER. If the Violator does not correct a violation within the applicable time period or otherwise complete the cure of the violation within the time period specified by the Notice, the Board may impose a fine of One Hundred Dollars (\$100.00) and written notice of the fine shall be provided to the Owner ("**Initial Fine Letter**"). If the violation is not corrected within ten (10) days of the Initial Fine Letter, the Board may fine the Owner an additional One Hundred and Fifty Dollars (\$150.00) and written notice of the additional fine shall be provided to Owner ("**Second Fine Letter**"). If the violation is not corrected within ten (10) days of the Second Fine Letter, then the Board may fine the Owner Two Hundred and Fifty Dollars (\$250.00) and written notice of the fine shall be provided to the Owner. For each additional ten (10) day period that the violation is not corrected, then the Board may fine the owner Two Hundred and Fifty Dollars (\$250) and written notice of the additional fine shall be provided to the Owner ("**Additional Fine Letter**"). Except as provided herein, the Owner is responsible for notifying the Association in writing if and when the violation has been corrected.

E. NOTICE OF HEARING. If a hearing is requested by the alleged Violator, the Board of Directors, managing agent, committee or other person conducting such hearing, as may be determined in the sole discretion of the Board of Directors, will serve a written notice of the hearing to all parties involved at least fifteen (15) days prior to the hearing date.

F. HEARING. At the beginning of each hearing, the presiding officer shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing, as determined by the Board of Directors. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator is required to be in attendance at the hearing. The Board of Directors shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board of Directors shall, within a reasonable time, not to exceed ten (10) business days, render its written findings and decision, and impose fines, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

G. FAILURE TO TIMELY REQUEST HEARING. If the alleged Violator fails to request a hearing within ten (10) days after the date of any notice letter, or fails to appear at a scheduled hearing, the Board of Directors may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be fined, the Board may file a lien and/or pursue any other cause of action the Association may have against such Violator.

H. NOTIFICATION OF DECISION. The decision of the Board of Directors, committee or other person, shall be in writing and provided to the Violator and Complainant within ten (10) business days of the hearing, or if no hearing is requested, within ten (10) business days of the final decision.

I. WAIVER OF FINES. The Board of Directors may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board of Directors may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Declaration or the Association's Articles of Incorporation, Bylaws or Rules; provided, however, that the Board seeks to uniformly enforce its right to waive such fines with respect to all Owners.

J. OTHER ENFORCEMENT MEANS. This enforcement process is adopted in addition to all other enforcement means that are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means, including, without limitation, the Association's right to cure any such violation.

**Amendment:** This Policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Covenant and Rule Enforcement Policy was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES

A Colorado nonprofit corporation

By: [Signature]

President

## 620 Pearl Street Residences

### DISPUTE RESOLUTION POLICY

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1. General. It is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and an Owner. Alternative Dispute Resolution ("ADR") is defined as a procedure for settling a dispute by means other than litigation, such as mediation, non-binding arbitration, or binding arbitration.

2. Policy. ADR, in the form of Mediation, Non-Binding Arbitration, or Binding Arbitration (as a substitute for litigation), may be pursued by the Association before any lawsuit is filed, except in the case of the collection of assessments or the enforcement of the covenants, bylaws, or rules and regulations of the Association, subject to the following:

(a) ADR shall not be required if time constraints prevent accomplishing ADR.

(b) ADR will not be pursued by the Association if an Owner refuses to participate in the process.

(c) At the time the parties agree to use ADR, the parties shall also agree on the form of ADR to be used. If the parties cannot agree on the form of ADR to be used, ADR shall be in the form of mediation.

(d) Any ADR pursued must be done so using a trained mediator, arbitrator, or facilitator having some familiarity with the governance of community associations.

(e) If ADR is to be pursued, the Owner shall execute an agreement with the Association prior to the commencement of the ADR process which tolls any applicable statute of limitations while the parties are attempting to resolve the dispute through ADR.

3. Selection of Mediator/Arbitrator. If the parties to the ADR cannot agree, within 30 days of the request for ADR, on the facilitator, mediator, arbitrator, or other qualified person to conduct the ADR, then, within 10 days, (a) Each party shall choose a qualified person as defined in this Policy, and those so selected shall then appoint a third qualified person to be determined in their sole discretion. (b) In the event a party fails to select a qualified person as specified in subsection (a) above, the person selected by the other party shall be deemed acceptable to both parties and shall act as the facilitator, arbitrator, or mediator.

4. Costs. The costs of ADR shall be split equally among the parties involved in the ADR. In the event an Owner fails to pay the Owner's share of the cost of the ADR, such amount shall be considered an Assessment against such Owner's Unit, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado Law.

5. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.



6. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.

7. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

8. Amendment. This policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Dispute Resolution Policy was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES  
A Colorado nonprofit corporation

By: \_\_\_\_\_



President

## 620 Pearl Street Residences

### DOCUMENT RETENTION AND DESTRUCTION POLICY

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In accordance with the Colorado Common Interest Ownership Act (CCIOA), the 620 Pearl Street Residences (The Association) Board of Directors (The Board) hereby adopts the following Policy regarding the retention and destruction of documents:

A. INTRODUCTION.

(i) Scope. This Document Retention and Destruction Policy applies to the Association, the Managing Agent, and the Board of Directors. Documents maintained by the Association's legal counsel are not subject to this Document Retention and Destruction Policy.

(ii) Purpose. This Document Retention and Destruction Policy is created to establish guidelines for identifying, retaining, storing, protecting and disposing of the Association's Documents (the "**Documents**"). This Document Retention and Destruction Policy is necessary to ensure that the Association conducts itself in a cost-effective manner while also adhering to legal and business requirements.

(iii) Policy. It is the Association's policy to maintain complete and accurate Documents. Documents are to be retained for the period of their immediate use unless longer retention is required for historical reference, contractual or legal requirements, or for other purposes as set forth in this Document Retention and Destruction Policy. Documents that are no longer required or have satisfied their recommended period of retention are to be destroyed in an appropriate manner. The Managing Agent is responsible for ensuring that Documents within its area of assigned responsibility are identified, retained, stored, protected and subsequently disposed of, in accordance with the guidelines set forth in this Document Retention and Destruction Policy.

(iv) Compliance. This Document Retention and Destruction Policy is not intended to be all inclusive, and accordingly must be tailored to meet the specific needs of the Association. The retention periods set forth herein are guidelines based on the current retention periods set forth in federal, state, and local statutes and regulations (none of which explicitly address the Association), and industry custom and practice.

(v) Board Members. The Association does not require Board members to maintain any Documents. Board members in their discretion may dispose of Documents generated by the Association because the Association has maintained such Documents in the Official Files. However, if Board members receive Documents relating to the Association that were not generated by the Association or not received through the Association, Board members shall send the originals of such Documents to the Managing Agent to be maintained in the Official Files. Documents created by a Board member for his or her own use as a member of the Board of Directors, including but not limited to notes, drafts, emails, summaries, etc. are not Documents of the Association and should be destroyed by the Board member once an Association Document is produced or within six months of creation, whichever is sooner, unless otherwise provided herein. E-mail discussions among Board members shall be copied to and saved by the Managing Agent pursuant to this policy. No Board member shall disclose or provide any Document to any owner outside of the Board of Directors. Directors shall direct Owners to make a formal request to the Association pursuant to its inspection of records policy.

(vi) Annual Purge of Files. The Managing Agent shall conduct an annual purge of files. The annual purge of files shall be completed within the first quarter of each calendar year.

(vii) Destruction Procedure. All Documents to be purged or destroyed pursuant to this Document Retention and Destruction Policy shall be shredded, or permanently deleted electronically, if stored in an electronic format.

(viii) Certification. Following the annual purge of files, the Managing Agent shall complete a Certification Letter directed to the Association's Board of Directors stating that all Documents under its control conform to the retention guidelines. Each Board member shall complete a Certification Letter annually stating that all documents created by him/her have been destroyed pursuant to Section V above.

(ix) Miscellaneous. There may be an immediate destruction of copies of any Document, regardless of age, provided that an original is maintained in the Official Files of the Association.

(x) Onset of Litigation. At such time as the Board or the Association has been served with a lawsuit, or if it is reasonably foreseeable that litigation may be imminent, all Documents potentially relevant to the dispute must be preserved notwithstanding anything in this policy to the contrary. Therefore, at the direction of legal counsel, the Managing Agent will advise the Board members and any other person who may maintain Documents, of the facts relating to litigation. Thereafter, all Documents potentially relevant to the dispute shall be deemed "held" until such litigation is concluded and all appeal periods have expired. At the conclusion of the litigation the "hold" period will cease and the time periods provided in the Document Retention and Destruction Guidelines will recommence.

B. DEFINITIONS.

(i) Current. "Current" means the calendar year in which the Document was created, obtained or received.

(ii) Document. "Document" means any documentary material that is generated or received by the Association in connection with transacting its business, is related to the Association's legal obligations, and is retained for any period of time. The term "Documents" include writings, drawings, graphs, charts, photographs, tape, disc, audio recordings, microforms, and other electronic documents from which information can be obtained or translated such as electronic mail, voice mail, floppy disks, hard discs and CD ROM. The Documents, as defined in this policy, may encompass more records than those that are available for inspection by Owners pursuant to the Association's Inspection of Records Policy. Not all Documents may be records of the Association as that term is defined in the Inspection of Records Policy and Colorado law, and therefore may not be subject to inspection by Owners.

(iii) Official Files. "Official Files" means the files maintained by the Association Managing Agent of the Association. Legal documents and documents subject to the attorney-client privilege and the work product privilege maintained by the Association's legal counsel are not part of the "Official Files" of the Association.

(iv) Permanent. "Permanent" means that the retention period for that Document is permanent.

(v) Termination. "Term + 4 years" means four years beyond the termination of the relationship, contract or coverage.

C. DOCUMENT RETENTION AND DESTRUCTION GUIDELINES. The Association's Documents are grouped into five functional categories as set forth below. Although every conceivable Document is not listed, the following list should indicate to which subcategory a particular Document relates.

<u>Accounting Records</u>	<u>Retention Period</u>
Accounts Payable	7 years
Account Receivable	7 years
Audit Reports	Permanent
Chart of Accounts	Permanent
Depreciation Schedules	Permanent
Expense Records	7 years
Financial Statements (Annual)	Permanent
Fixed Asset Purchases	Permanent
General Ledger	Permanent
Inventory Records	7 years
Loan Payment Schedule	7 years
Federal and State Tax Returns	Permanent
<u>Bank/Financial Records</u>	<u>Retention Period</u>
Bank Reconciliation	2 years
Bank Statements	7 years
Deposit Tickets	6 years
Cancelled Checks	7 years
Cash Receipts and Cash Disbursement Journals	7 years
Owner Ledgers	While Owner owns a home in the Community + 7 years
Electronic Payment Records	7 years
Audit Reports	Permanent
Personal Property Tax Returns	Permanent
Budgets	1 year
Reserve Study	Retain current plan at all times

<b><u>Corporate Records</u></b>	<b><u>Retention Program</u></b>
Board Minutes	Permanent
Committee Minutes	Permanent
Member Meeting Minutes	Permanent
Bylaws, Articles and CC&Rs	Permanent
Rules and Regulations	Permanent
Policies and Guidelines	Permanent
Record of actions of the Board of Directors or Members without a Meeting (for example, records of decisions made by the Board via e-mail)	Permanent
E-mail communications among Board members directly related to and resulting in a decision made by the Board outside of a meeting	1 year
General E-mail discussions among the Board which do not result in any decision being made outside of a meeting	6 months
Record of Waivers of Notices of Meetings of Members, Board of Directors or Committees	Permanent
Board Resolutions	Permanent
Business Licenses	Permanent
Contracts	Life + 7 years or warranty period if longer
Correspondence from Legal Counsel	Permanent
Insurance Policies	Life + 4 years
Leases/Mortgages	Permanent
Patents/Trademarks	Permanent
Bids, Proposals	Permanent
Homeowner Records	Permanent
Vendor Invoices	7 years
Written Correspondence between Association and Vendors	7 years

Photographs	7 years
Periodic Reports Filed with the Secretary of State	1 year
Videotapes and Audiotapes of Board Meetings	Until minutes approved
Proxies and Ballots (generally, unless otherwise provided herein)	One year after the election, action, or vote to which they relate
Proxies and Ballots for Document Amendments	Permanent
Deeds, Easements and Other Real Property Records	Permanent
<b><u>Employee Records, if any</u></b>	<b><u>Retention Period</u></b>
Benefits Plans	Permanent
Personnel Files	7 years
Employment Applications	3 years
Employment Taxes	7 years
Payroll Records	7 years
Pension/Profit Sharing Plans	Permanent
<b><u>Real Estate Records</u></b>	<b><u>Retention Period</u></b>
Construction Records	Permanent
Warranties	Permanent
Leasehold Improvements	Permanent
Lease Payment Records	Life + 4 years
Real Estate Purchases	Permanent
<b><u>Owner Communications</u></b>	<b><u>Retention Period</u></b>
Written Communications to all Owners generally (including meeting or other notices sent via e-mail, facsimile and regular mail)	6 years
<b><u>Individual Member Files</u></b>	<b><u>Retention Period</u></b>
Correspondence to Members individually (not including enforcement letters)	As long as Member owns + 4 years

Enforcement Letters (including covenant violation letters and violation letters and delinquency letters)	As long as Member owns + 4 years
Owner Complaints (written)	As long as Member owns + 4 years
Architectural requests and any responses from the Association regarding Requests	Permanent
Any Correspondence between Association and Members not otherwise listed	As long as Member owns + 4 years
<b><u>Miscellaneous</u></b>	<b><u>Retention Period</u></b>
Miscellaneous Documents (not otherwise listed herein)	At Board's discretion

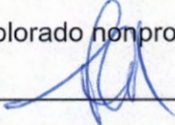
**Amendment:** This Policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Document Retention and Destruction Policy was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES

A Colorado nonprofit corporation

By:  \_\_\_\_\_

President

## 620 Pearl Street Residences

### INSPECTION AND COPYING OF ASSOCIATION RECORDS POLICY

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In accordance with the Colorado Common Interest Ownership Act (CCIOA), the 620 Pearl Street Residences (The Association) Board of Directors (The Board) hereby adopts the following Policy regarding inspection and copying of association records:

A. MAINTAIN RECORDS. The Association shall retain the following records as required by Colorado law and in accordance with the Document Retention Policy.

- i. Minutes of all Board of Directors and Owner meetings.
- ii. All actions taken by the Board of Directors or Owners by written ballot or email in lieu of a meeting.
- iii. All actions taken by a committee on the behalf of the Board of Directors instead of the Board of Directors acting on behalf of the Association.
- iv. All waivers of the notice requirements for Owner meetings, Board of Directors, member meetings, or committee meetings.

B. INSPECTION/COPYING ASSOCIATION RECORDS. An Owner or its authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:

- i. The inspection and/or copying of the records of the Association shall be at the Owner's expense;
- ii. The inspection and/or copying of the records of the Association shall be conducted during the managing agent's regular business hours at the managing agent's office.
- iii. The Owner shall provide managing agent with a written request, stating the purpose for which the inspection and/or copying is sought, at least five (5) business days before the date on which the Owner wishes to inspect and/or copy such records; and
- iv. The Owner shall complete and sign the Agreement Regarding Inspection of Association Records prior to the inspection and copying of any Association record. A copy of such Agreement is attached to this Resolution. Failure to properly complete or sign such Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.

B. PROPER PURPOSE/LIMITATION. Association records shall not be used by any Owner for:

- i. Any purpose unrelated to an Owner's interest as an Owner;
- ii. The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
- iii. Any commercial purpose;



- iv. For the purpose of giving, selling, or distributing such Association records to any person; or
- v. Any improper purpose as determined in the sole discretion of the Board of Directors.

C. EXCLUSIONS. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:

- i. Attorney-client privileged documents and records, unless the Board of Directors decides to disclose such communications at an open meeting;
- ii. Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and
- iii. Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but not limited to, social security numbers, dates of birth, personal bank account information, and driver's license numbers.

D. FEES/COSTS. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, which have been determined to be Fifteen Cents (\$.15) per page, including the cost to search, retrieve, and copy the record(s) requested. In addition, the Association may charge Fifteen Dollars (\$15.00) per box to transport records from off-site storage to the managing agent's office and Fifteen Dollars (\$15) per box to return to off-site storage. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies.

E. INSPECTION. The Association reserves the right to have a third person present to observe during any inspection of record by an Owner or Owner's representative.

F. ORIGINAL. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.

G. CREATION OF RECORDS. Nothing contained in this Resolution shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

**Amendment:** This Policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Inspection and Copying of Association Records Policy was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES  
A Colorado nonprofit corporation

By: \_\_\_\_\_

President

## 620 Pearl Street Residences

### INVESTMENT OF RESERVES POLICY

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In accordance with the Colorado Common Interest Ownership Act (CCIOA), the 620 Pearl Street Residences (The Association) Board of Directors (The Board) hereby adopts the following Policy regarding investment of reserves:

A. SCOPE. In order to maintain areas in the Community that are the responsibility of the Association, to comply with state statutes and to manage Reserve Funds, the Board of Directors determines that it is necessary to have policies and procedures for the investment of Reserve Funds.

B. PURPOSE OF THE RESERVE FUND. The purpose of the reserve fund established under the Budget (the "**Reserve Fund**") shall be to 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 of Directors may determine, in its reasonable discretion.

C. 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, at the discretion of the Board of Directors. The Board of Directors acknowledges that the Association, the Board of Directors and its officers are bound by the standards of conduct in the Colorado Revised Nonprofit Corporation Act (C.R.S. § 7-121-401) with respect to investment of reserves.

D. INVESTMENT OF RESERVES. The Board of Directors shall invest funds held in the Reserve Fund accounts to generate revenue that will accrue to the Reserve Fund account balances pursuant to the foregoing investment strategy and the following goals, criteria and Policies:

- i. Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
- ii. Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
- iii. Minimal Costs. Minimize investment costs (redemption fees, commissions, and other transactional costs).
- iv. Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
- v. Return. Invest funds to seek the highest level of return.

E. LIMITATION ON INVESTMENTS. Unless otherwise approved by the Board of Directors, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.

F. INDEPENDENT PROFESSIONAL INVESTMENT ASSISTANCE. The Board of Directors, in its sole discretion, may hire a qualified investment counselor to assist in formulating a specific investment strategy.

G. REVIEW AND CONTROL. At least annually, the Board of Directors shall review Reserve Fund investments to ensure that the funds are receiving competitive yields and shall make adjustments as may be necessary, in the Board's discretion.

H. RESERVE STUDY. In order to determine funding of the Reserve Fund, the Board of Directors may determine, in its sole discretion, with the assistance and advice of professionals, 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**"). The Board of Directors may cause the Reserve Study, if any, to be reviewed and updated periodically in such periods of time deemed reasonable by the Board, to adjust and make changes in costs, inflation, interest yield on invested funds plus modification, addition or deletion of components.

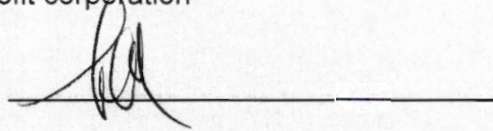
**Amendment:** This Policy may be amended from time to time by the Board of Directors.

**Effective Date:** November 4, 2022

IN WITNESS WHEREOF, the undersigned certify that the Investment of Reserves Policy was adopted by Resolution of the Board of Directors of the Association this 9 day of November 2022.

620 PEARL STREET RESIDENCES  
A Colorado nonprofit corporation

By: \_\_\_\_\_



President