Scroll through the entire document or click on any policy to go directly to it.

1. Alternative Dispute Resolution Policy

2. Association Meetings Policy

3. Association Records Policy

4. Audit or Review Policy

5. Collection Policy and Procedure

6. Forms incorporated by reference in Collection Policy and Procedures

7. Policy re: Adoption and Amendment of Policies, Procedure, and Rules

8. Policy re: Conflict of Interest of Board Members

9. Policy re: Covenant/Rules Enforcement and Fine Schedule

10. Public Disclosure Policy

11. Reserve Study Policy

12. Patriotic Expression and Political Expression Policy

13. Required Policy Statements

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

ALTERNATIVE DISPUTE RESOLUTION POLICY

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following alternative dispute resolution policy effective January 1, 2017.

Executive Board and Unit Owner Dispute Resolution: Upon written request of any Unit Owner, the Executive Board shall convene to address a pending dispute or claim involving the Association and/or the Association's governing documents. This policy excludes Covenant/Rule Enforcement and Collection of Unpaid Assessments. The date, time, and place shall be scheduled so the Unit Owner(s), or their designated representative, and a majority of the board members may be in attendance. The Unit Owner(s) or their designated representative will be given reasonable opportunity to be heard regarding the dispute or claim, subject to any time limitations set by the Board. All parties shall make reasonable efforts to confer for the purpose of resolving the dispute or claim by good faith negotiation, including physical inspection of the subject Unit for evaluation purposes. After deliberation, the majority vote of the Board will be the final resolution of the dispute or claim.

Mediation: By consent of all parties, any unresolved dispute or claim between the Association and Unit Owner(s) may be submitted to mediation prior to the commencement of any legal proceeding. Each party shall share equally in the costs of mediation. If an agreement is reached through mediation, it shall be submitted to the Court as a stipulation for approval, and if ordered, subject to enforcement.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **ALTERNATIVE DISPUTE RESOLUTION POLICY** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: Attest:

President Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

ASSOCIATION MEETING POLICY

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following policy and procedures for conducting association meetings effective January 1, 2017.

ANNUAL MEETINGS - Each year the Pinnacle Homeowner's Association shall conduct a meeting for all Unit Owners.

NOTICE REQUIREMENTS - Notice of the meetings shall be given by ordinary first-class mail or hand-delivery to Unit Owners **not less than 10 days or more than 50 days in advance of the meeting**. Also the notice shall be physically posted in a conspicuous place, to the extent feasibly and practically possible, in addition to any electronic posting or electronic mail notices.

If the Pinnacle Homeowner's Association has a website, it shall provide all meeting notices and agendas in electronic form on the website and send copies by electronic mail to any Unit Owner who so requests and furnishes their electronic mail address.

The notice shall state the time and place of the meeting and the items on the agenda, including any proposed amendments to the governing documents, any budget changes, and any proposed removal of officers or board members.

SPECIAL MEETINGS - Special meetings of the Unit Owners may be called by the President, board majority, or Unit Owners having twenty percent (20%) of the votes in the Association or a lower percentage if specified in the bylaws. Notices of special meetings shall be given as soon as possible, but at least 24 hours in advance of the meeting.

CONDUCT OF MEETINGS - All meetings of The Pinnacle Homeowner's Association and the Executive Board shall be open to attendance by the Unit Owners, or to any person designated in writing as the Unit Owner's representative.

At an appropriate time determined by the Executive Board, but before formal action is taken, Unit Owners or their designated representative shall be permitted to speak on an issue under discussion. The Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue.

EXECUTIVE SESSION - In any regular or special meeting the Executive Board or committee thereof may hold an executive or closed door session and may restrict attendance to board members or other persons requested by the Board for purposes of discussing the following limited matters:

a) Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer agent, or employee of the Association;
b) Consultation with legal counsel concerning disputes that are subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
c) Investigative proceedings concerning possible or actual criminal misconduct;
d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
f) Review of or discussion related to any written or oral communication from legal counsel.

Prior to convening for an executive session, the board members or committee members shall announce the general matter of discussion. Minutes of all meetings shall indicate when an executive session was held and the general subject matter of the executive session. No rule or regulation of the Board or any committee thereof shall be adopted during executive session.

DISCLOSURE OF LEGAL MATTERS - Upon final resolution of any matter for which the Executive Board received legal advice or that concerned pending or contemplated litigation, the Board has the discretion to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about this matter in an open meeting.

QUORUM – At the beginning of any member meeting, the Unit Owners present, in person or by proxy, having twenty percent (20%) of the votes in the Association shall constitute a quorum for election of the Executive Board or conducting any association business.

VOTING - A Unit Owner, who is present at the Association meeting, is entitled to cast all the votes allocated to the unit owned. If more than one of the multiple owners is present, the votes cast must be in accordance with the majority of the owners. Unless otherwise specified in the Declaration, Bylaws or Articles of Incorporation, any association business or any matter affecting the common interest community, at which a proper quorum is in attendance, shall be decided by a majority vote.

SECRET BALLOT - Votes for contested positions on the Executive Board shall be taken by secret ballot, except where the governing documents provide for election of positions on the board by delegates on behalf of the Unit Owners. A vote on <u>any</u> matter affecting the common interest community shall be by secret ballot at the discretion of the Executive Board or upon the request of twenty percent (20%) of the Unit Owners who are present at the meeting or represented by proxy, if a quorum has been achieved.

COUNTING BALLOTS - Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Unit Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the board or another person presiding during that

portion of the meeting. The volunteers shall not be board members and, in the case of contested election for a board position, shall not be candidates. Ballot counting shall be done immediately after collection and the results announced immediately thereafter. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Owners participating in such vote

PROXIES - Votes may be cast by proxy duly executed by any Unit Owner, without fraud or misrepresentation. Proxies may be revoked by actual notice of revocation to the person presiding over the association meeting. A proxy is invalid if it is not dated, can be revoked without notice, and is more than eleven months after its execution.

SUSPICIOUS VOTES - Votes may be rejected if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of a signature or about the person's ability to sign for the Owner. The Association, its officers or agents who accept or reject a vote in good faith are not liable in damages for the consequences of that action and will be upheld as valid unless a court of competent jurisdiction determines otherwise.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **ASSOCIATION MEETING POLICY** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: _____ Attest: _____
President Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

ASSOCIATION RECORDS POLICY

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following policy and procedures for the maintenance of association records effective January 1, 2017.

RECORDS RETENTION - For purposes of document retention and production to Unit Owners, the Association shall maintain the following records at its principal office:

- Declarations and Covenants including recording dates and reception or book and page numbers;
- Bylaws and Articles of Incorporation or other entity organizational documents;
- Rules and Regulations, Responsible Governance Policies, and any other policies adopted by the Executive Board;
- Financial records sufficiently detailed to enable the association to create statements of unpaid assessments;
- Detailed records of receipts and expenditures affecting the association operation and administration;
- Construction defects claim records including amounts received pursuant to settlement of those claims;
- Records of the Executive Board or committee actions to approve or deny any request for design or architectural approval from Unit Owners;
- Resolutions adopted by the Executive Board related to characteristics, qualifications, rights, limitations, and obligations of Unit Owners;
- Minutes of all Unit Owners and Executive Board meetings;
- Record of all actions taken by Unit Owners, the Executive Board, or a committee thereof, by written ballot or written consent in lieu of a meeting including waivers of meeting notices;
- Record of all actions taken by any committee of the Executive Board;
- Written communications among, and the votes cast by, Executive Board members that are directly related to an action taken by the Board without a meeting;
- Ballots, proxies, and other records related to voting by Unit Owners for one year after the election, action, or vote to which they relate;
- Written contracts to which the association is a party;
- Written contracts for worked performed for the association within the immediately preceding two years;
- All written communications within the past three years to all Unit Owners;
- Financial statements of the association for the past three years;
- Tax returns of the association for the past seven years, to the extent available;

AND currently,

- List of names, electronic mail addresses, and physical mailing addresses of current Executive Board members and officers;
- List of names of current Unit Owners and physical mailing addresses at which the association communicates with them, including the number of votes to which each Unit Owner is entitled;
- Reserve study, if any (most recent); and
- Secretary of State Periodic Report filed annually, if any (most recent).

The foregoing association records shall be maintained in written form or in another format capable of conversion into written form within a reasonable time.

UNIT OWNER INSPECTION/COPYING - All financial and other records of the Association, except those records excluded by statute, shall be made reasonably available for examination and copying by any Unit Owner and/or such Unit Owner's authorized agents upon written request with at least ten (10) days advance notice. The written request for inspection and copying must specify the purpose of the request and describe with reasonable particularity the records sought.

"Reasonably available" means available during normal business hours or at the next regularly scheduled Executive Board meeting if the meeting occurs within thirty (30) days after the request.

The Association is not obligated to compile or synthesize the information. A right to copy records includes the right to receive copies by photocopying or other means, including the receipt of copies through electronic transmission, if available, upon request by the Unit Owner.

The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies or transmission of association records. The charge may not exceed the estimated cost of production and reproduction of the records.

POLICY LIMITS – This policy will not invalidate any provision of the existing Declarations, Bylaws, or corporate law under which this association is organized, or other governing documents that more broadly defines records of the association that are subject to inspection and copying by the Unit Owners or that grants Unit Owners freer access to such records.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **ASSOCIATION RECORDS POLICY** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: Diana Bennett
President

Attest: John M Cain
Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

AUDIT OR REVIEW POLICY

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following audit and review policy effective January 1, 2017.

AT THE DISCRETION OF THE EXECUTIVE BOARD OR UPON REQUEST BY THE UNIT OWNERS AS STATED HEREIN, the books and records of the Pinnacle Homeowner's Association will be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the Board.

Except for an audit, a CPA is not required. The person selected to conduct a review shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. The audit or review report shall cover the Association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting.

AUDIT - An audit is only required when these two conditions are met: (1) the Association has annual revenues or expenditures of at least $250,000 and (2) an audit is requested by the Unit Owners of at least one third (1/3) of the units represented by the Association.

REVIEW - A review is required only when requested by the Unit Owners of at least one-third (1/3) of the units represented by the Association.

Copies of an audit or review shall be made available upon request to any Unit Owner beginning no later than thirty (30) days after its completion.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **AUDIT OR REVIEW POLICY** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: Attest:

Dana Bennett
President

John A Cairns
Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

COLLECTION POLICY AND PROCEDURES

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following policy and procedures for the collection of delinquent assessments effective January 1, 2017.

1) ***Due Date:*** The Annual Assessment as defined by the Declaration **is due by January 31st of each year.** Any other assessments shall be paid to the Association on the due date established by the Executive Board, the Manager, or committee acting on behalf of the Executive Board. Assessments shall be considered past due and delinquent fifteen (15) days after the due date and shall incur a late charge and bear interest. Assessments include annual, special and monthly assessments and any associated fees or charges, late charges, attorney fees and costs, fines, and interest charged by the Association. (Amended and Revised Declaration Article IV and C.R.S. §38-33.3-316.3)

2) ***Late Charge:*** A late charge in the amount of $10.00 per month shall accrue on any past due and delinquent assessment.

3) ***Acceleration and Deceleration of Assessments:*** The Executive Board reserves the right to accelerate the entire unpaid balance of assessments on any account that becomes more than ninety (90) days delinquent. Such acceleration shall result in the entire unpaid balance of assessments being due and payable to the Association immediately. The Executive Board also reserves the right to decelerate any accelerated assessment.

4) ***Returned Check Charges:*** The Association shall assess the Unit Owner for any bank fees actually charged for returned checks or for ACH/electronic payments reversed due to insufficient funds plus the Association's return charge of $20.00. If two or more payments are returned unpaid by the bank, the Association may require the Unit Owner to make all future payments, for a period of one (1) year, by certified check or money order.

5) ***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 Unit Owner which shall be due and payable immediately when incurred, upon demand. (Amended and Revised Declaration Article IV and C.R.S. §38-33.3-316)

6) ***Application of Payment:*** All payments received shall be credited first to any legal fees, lien fees or costs and expenses related to enforcement or collection; second to damages, fines, late charges and interest; third to returned check or payment charges or other costs incurred by the Association and allowed by the governing documents; and finally to any assessments due or to become due with respect to each Unit Owner. The Association, or

its Manager, has the discretion to return any Unit Owner's payment containing a restrictive endorsement or directing application of payments contrary to this provision.

7) ***Courtesy Reminder:*** Before sending the Delinquency Notice in paragraph (8), the Association, or its Manager, shall send the Unit Owner one (1) courtesy reminder regarding nonpayment or late payment of assessments. The courtesy reminder shall be sent to the Unit Owner five (5) days after the initial due date.

8) ***Delinquency Notice:*** Thirty (30) days after the initial due date for any assessment past due and owing, and before the Association refers a delinquent account for collection, the Association, or its Manager, shall send the Unit Owner a **Notice of Delinquency** utilizing the form attached hereto and incorporated by this reference. The Association shall offer the Unit Owner, who is eligible, a one-time opportunity to pay off the deficiency in equal installments over a period of at least six months utilizing the **Installment Payment Agreement** form attached hereto and incorporated by this reference. (C.R.S. §38-33.3-316.3)

9) ***Referral of Delinquent Accounts to Collection:*** If the Unit Owner fails to take action to cure the delinquency as specified in the **Notice of Delinquency, t**he Association may refer the delinquent account to the Association's attorney for collection and filing of a lien. Thereafter, the Association and its Manager shall direct the Unit Owner to contact the Association's attorney to discuss the delinquent account. When a delinquent account is in collection, all payments shall be remitted directly to and monitored by the Association's attorney until the account is brought current.

10) ***Judicial Foreclosure:*** Before the Association's lien may be foreclosed, the balance of the assessments and charges secured by the lien must equal or exceed six (6) months of monthly assessments based on a periodic budget adopted by the Association and the Executive Board must formally resolve, by a recorded vote, to authorize the filing of a foreclosure action against the specific Lot, utilizing the **Board Resolution** form attached hereto and incorporated by this reference. (C.R.S. §38-33.3-316)

11) ***Legal Remedies Available to the Association:*** The Association may initiate legal action against the Unit Owner who is personally obligated to pay the assessment, may file and foreclose the assessment lien against the property, may accelerate the assessments due for the remainder of the calendar year, may request appointment of a receiver, and such other remedies as specifically stated in the Declaration and as provided by Colorado law. Regardless of whether a legal action is filed, the Association may recover attorney's fees, court filing fees, and service costs.

12) ***Bankruptcy and Foreclosure:*** Upon receipt of any notice of a bankruptcy filing by a Unit Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the Association, the Executive Board, or its Manager, shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13) ***Executive Board Discretion*:** Nothing in this policy shall require the Executive Board to take specific actions at specific times, but the Executive Board shall not take action earlier than the time stated herein for a particular action. The Executive Board has the option to evaluate each past due and delinquent account on a case by case basis and deviate from this collection policy, if in its sole discretion, such deviation is reasonable under the circumstances.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **COLLECTION POLICY AND PROCEDURES** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: _____ Attest: _____
President Secretary

SUMMARY OF KEY PROVISIONS

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.
COLLECTION POLICY AND PROCEDURES

Amounts: Late charge = $10.00 per month.

Collection Process/Time Frames:

Annual Assessment Due Date Special Assessment Due Date	January 31st each year Date determined by Executive Board
Courtesy Reminder	5 days after due date
Late charge accrued	15 days after due date
Delinquency Notice	30 days after due date
Referral of Delinquent Account to Attorney	60 days after due date

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC

c/o Deana Bennett – President
9109 Winona Court
Westminster CO 80031

NOTICE OF DELINQUENCY

TO: Owner(s) **DATE:** _____

ADDRESS: Property Address in Association

1) The total amount due and owing to the Pinnacle Homeowner's Association is $_____. The ledger attached is an accounting of how the total was determined.

2) You have the following option(s):

   a. **Cure the Deficiency** by payment of the total amount due and owing within thirty (30) days of the date of this Notice. Contact the President of the Pinnacle Homeowner's Association to determine the exact payoff amount; or

   b. **Installment Payment Plan** <Select One Option>

Eligible-Payment Plan - Within thirty (30) days of the date of this Notice, you must execute an Installment Payment Agreement to pay the total amount due and owing in six equal monthly installments and also continue payment of any regular or special assessments due. Contact the President for the Association to coordinate this payment plan.

Not Eligible – Prior Plan - You are **not eligible** to enter into a payment plan to payoff this delinquency because you failed to comply with the terms of a prior payment agreement.

Not Eligible – Owner by Default - You are **not eligible** to enter into a payment plan to payoff this delinquency because the Owner does not occupy the property and you acquired the property as a result of a default of a security interest encumbering the property or foreclosure of the Association's lien.

3) You may contact the Pinnacle Homeowner's Association through the Treasurer:
   John D. Caine
   Address: 9068 Winona Court, Westminster, CO 80031
   Phone: _____ Email: _____

4) Action is required to cure this delinquency and failure to cure this delinquency or enter into an installment payment plan with the Association, within thirty (30) days of the date of this Notice may result in your account being turned over to a collection agency, a lawsuit being filed against the Unit Owner(s), the filing and foreclosure of a lien against the property, request for appointment of a receiver who make take possession of the property, acceleration of the assessments, or such other remedies available to the Association under Colorado law.

INSTALLMENT PAYMENT AGREEMENT

This INSTALLMENT PAYMENT AGREEMENT is entered into by and between the Pinnacle Homeowner's Association and _____(name of owners)_____, ("Owners") of _____(property address in association)_____.

1) Owners are currently indebted to the Pinnacle Homeowner's Association in the amount of $_____ for past-due assessments or other delinquent amounts due and owing.

2) Owners agrees to pay the current indebtedness of $_____ in six equal monthly installments as follows:

Due Date	Installment Amounts

3) The monthly installments shall be made payable to the Pinnacle Homeowner's Association and mailed or delivered to the Treasurer, John D. Caine, 9068 Winona Court, Westminster, CO 80031.

4) Owners further agree to pay and remain current on all regular and special assessments that become due while making the installment payments pursuant to this agreement. Failure to comply with this provision shall constitute a default of this agreement.

5) Failure to comply with the terms of this agreement shall constitute a default and the Pinnacle Homeowner's Association may pursue legal action and all legal remedies available to the Association pursuant to the governing documents and Colorado law, including but not limited to, the recovery of attorney's fees and cost.

Agreed: _____(date)_____

_____

Owners

_____

Owners

Agreed: _____(date)_____

_____

Deana Bennett – President of the Pinnacle Homeowners Assn.

BOARD RESOLUTION

AUTHORIZING FORECLOSURE OF

THE PINNACLE HOMEOWNER'S ASSOCIATION LIEN

WHEREAS, the Pinnacle Homeowner's Association has a lien against the property located at ___(property address in the association)___ and the balance of the assessments and charges secured by the Association Lien equals or exceeds six months of common expense assessments based on a periodic budget adopted by the Association.

BE IT RESOLVED that the Association, after due consideration, hereby authorizes the filing of legal action to foreclose the Association Lien in like manner as a mortgage on real estate against the subject property.

DATED: _____

_____
President - Board Member

_____
Secretary - Board Member

_____
Treasurer - Board Member

_____
Board Member

_____
Board Member

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

POLICY RE: ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES AND RULES

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following policy regarding adoption and amendment of policies, procedures and rules effective January 1, 2017.

By request of the President, majority of the Executive Board or Unit Owners having twenty percent (20%) of the votes, the Board must consider proposed adoption and amendment of the policies, procedures, and rules governing the Association. After reasonable consideration, the Board has discretion and shall make the final determination on whether to adopt or amend such policies, procedures, and rules.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **POLICY RE: ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES AND RULES** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: Diana Bennett
President

Attest: John D Cassi
Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

POLICY RE: CONFLICTS OF INTEREST INVOLVING BOARD MEMBERS

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following policy regarding conflicts of interest involving board members effective January 1, 2017.

1) ***Definitions:***

"Conflict of interest" means circumstances under which a board member may be unduly influenced in his/her decision-making process in favor of or against any particular action.

"Conflicting interest transaction" means any contract, transaction, or other financial relationship between the Association and a board member; or between the Association and a party related to a board member; or between the Association and an entity in which the board member is a director or officer or has a financial interest.

"Party related to a Board member" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the board member or a party related to a board member has a beneficial interest, or an entity in which a party related to a board member is a director, officer, or has a financial interest.

2) **General Duty**: All board members shall exercise their powers and duties in good faith and in the best interests of, and with loyalty to, the Association. Board members shall avoid the appearance of impropriety and shall avoid conflicts of interest and conflicting interest transactions in their dealings with and representation of the Association.

3) **Disclosure**: If a conflict of interest or conflicting interest transaction presently exists or may potentially arise in the future concerning an Association matter, the interested board member shall disclose the details that may constitute a conflict to the Board, and if the other board members concur, then he or she shall recuse him or herself from discussing or voting on the issue. However, the interested board member may be counted as present for purposes of establishing a quorum at a meeting of the Executive Board or committee which authorizes, approves, or ratifies the conflicting interest transaction.

4) **Validity of Action**: No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the Association, solely because the conflicting interest transaction involves a board member of the Association or a party related to the board member or an entity in which an Association board member is a director or officer or has a financial interest or solely because the Board member is present at or participates in the meeting of the Association's Executive Board, or committee thereof, that authorizes, approves, or ratifies the conflicting interest transaction or solely because the board member's vote is counted for such purpose if:

(a) The material facts as to the board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Executive Board or the committee, and the Executive 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; or

(b) The material facts as to the board member'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

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

Applicable Statutes: Any conflict of interest policy adopted by the Association must be in accordance with Colorado Revised Statute §38-33.3-310.5 which states:

Section 7-128-501, C.R.S. shall apply to members of the executive board, except that as used in that section:

(a) "Corporation" or "Nonprofit Corporation" means the association.
(b) "Director" means a member of the association's executive board.
(c) "Officer" means any person to who the board delegates responsibilities under this article, including, without limitation, a managing agent, attorney, or accountant employed by the board.

Periodic Review: The Association Board shall review this conflict of interest policy in the year 2019 and every second year thereafter and shall amend this policy, as necessary and appropriate, in the best interests of the Association.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **POLICY RE: CONFLICTS OF INTEREST INVOLVING BOARD MEMBERS** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: Deana Bennett
President

Attest: John D Cairns
Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

POLICY RE: COVENANT/RULES ENFORCEMENT AND FINE SCHEDULE

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following policy regarding covenant/rules enforcement and fine schedule effective January 1, 2017.

(a) **First Offense/Violation** – Written notice/warning letter to Unit Owner(s) stating the details of the complaint or alleged violation and directing specific remedial action pursuant to the Pinnacle Declaration Article IX-Restrictions ¶15. The violation must be corrected within ten (10) days of the notice date or a second violation notice will be sent and fine may be assessed.

(b) **Second Offense/Violation** –Written notice/fine letter to include $50.00 fine against Unit Owner(s). The violation must be corrected within ten (10) days of the notice date or a third violation notice will be sent and fine may be assessed.

(c) **Third Offense/Violation** -Written notice/fine letter to include $75.00 fine against Unit Owner(s). The violation must be corrected within ten (10) days of the notice date or a fourth violation notice will be sent and fine may be assessed.

(d) **Fourth and Subsequent Offenses/Violations** -Written notice/fine letter to include an additional $100.00 fine. The matter may be turned over to the Association's attorney for enforcement.

RIGHT TO HEARING – In all cases, the alleged violator and/or Unit Owner has the right to request a hearing concerning the alleged offense/violation within fourteen (14) calendar days from the date of the notice of the alleged violation. The request shall be served upon the Association or its managing agent by registered or certified mail. The hearing on the offense/violation shall be scheduled within forty-five (45) days from the alleged offense/violation and shall be adjudicated by "impartial decision maker(s)." The alleged violator shall be given at least ten (10) days advance notice of the scheduled date, time and place of hearing. After hearing all information pertaining to the offense/violation, the "impartial decision maker(s)" will send the alleged violator and/or Unit Owner a written decision within ten (10) days after the hearing. All decisions shall be final. Once a hearing has been completed regarding a specific offense/violation and a final determination has been issued, no further hearings shall be required by the Executive Board to assess additional fines in accordance with this fine schedule. If the alleged violator and/or Unit Owner does not appear or respond in writing, an automatic default may be entered.

"IMPARTIAL DECISION MAKER(S)" may include the existing board members if they have no personal or financial interest in the outcome of the violation hearing. Board members who are immediate neighbors or have a personal history, positive or negative, with the alleged violator(s) are disqualified from adjudicating at these hearings.

HEARING PROTICOL – At the commencement of the hearing, the Impartial Decision Makers will explain the procedures, rules and guidelines for conducting the hearing. The alleged violator(s) and/or Unit Owner(s) will be given reasonable opportunity to be heard regarding the dispute, subject to any time limitations set by the Impartial Decision Makers. All comments and questions shall be made in a professional manner and there shall be no rude, abusive, threatening or foul language, or personal attacks.

LEGAL ENFORCEMENT - Unit Owner(s) are responsible for any fees and costs incurred in the collection of any assessed fines or for enforcement of any rules, regulations, policies, or provisions of the Pinnacle Bylaw or Declaration. Said fees and costs to include, but shall not be limited to attorney's fees, court filing fees, and service costs. These fees and costs shall be recoverable by the Association regardless of whether a lawsuit is filed against the Unit Owner(s).

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **POLICY RE: COVENANT/RULES ENFORCEMENT AND FINE SCHEDULE** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: Diana Bennett
President

Attest: John A Cain
Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

RESERVE FUND INVESTMENT POLICY

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following reserve fund investment policy effective January 1, 2017.

INVESTMENT OF RESERVE FUNDS

Investment Objectives All funds which are held for capital expenditures as a part of the reserve fund shall be deposited and invested by the Association to accomplish the following objectives:

a. Safety of Funds. Safety of the principal is the foremost objective of the investment policy. The Association will undertake investments in a manner that seeks to ensure preservation of capital including mitigation of *credit risk* and *interest rate risk.*
    i. *Credit Risk* – The Association will minimize the credit risk and risk of loss due to failure of the financial institution by limiting investment types as stated herein and by diversification of the investment portfolio.
    ii. *Interest Rate Risk* – The Association will minimize this risk by structuring the investment portfolio so that investments mature sufficiently close to cash requirements for ongoing operations and investing all funds in short to intermediate term investments.

b. Liquidity of Funds. Reserve funds shall remain sufficiently liquid to meet all planned expenditures for the upcoming fiscal year. To ensure that adequate reserve funds are available to pay the Association's reserve expenditures, annual reserve fund investments shall reasonably match the planned reserve fund expenditures for upcoming fiscal years.

c. Types of Investments. The reserve fund portfolio shall consist largely of money market accounts and/or certificates of deposit. The Association shall not invest in the following asset classes: (a) individual stocks; (b) equity mutual funds, domestic or foreign; (c) mutual funds consisting of bonds or mortgages and/or derivatives; (d) options on equity, debt, or commodities; (e) floating rate securities; and (f) investment in a single institution in excess of FDIC insurance limits.

d. Yield. Subject to the restrictions on the type of investments, the Association's portfolio shall earn a competitive market rate of return on available funds throughout budgetary and economic cycles. In meeting this objective, the Association, through the Executive Board, will take into account the Association's investment risks, constraints, and cash flow needs.

Selection of Financial Institutions The Executive Board will approve by resolution any bank or financial institution that provides depository and other banking services for the Association. In determining eligibility, the Board may consider the location of the bank or institution, FDIC membership, and overall safety of the Association's funds.

Annual Investment Report As part of its annual financial report, the Association will prepare an investment report that lists the reserve fund investments, the current market value of the investments, and a summary of the investment earnings during the prior fiscal year.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **RESERVE FUND INVESTMENT POLICY** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: _____
President

Attest: _____
Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

PUBLIC DISCLOSURE POLICY

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following policy for public disclosure of association information to Unit Owners effective January 1, 2017.

ASSOCIATION CHANGES - If the Pinnacle Homeowner's Association address, designated agent, or management company changes, the Association shall make updated information available to Unit Owners within 90 days after the change. This updated information shall include the following:

(a) The name of the Association and the common interest community;
(b) The name of the Association's designated agent or management company, if any;
(c) A valid physical address and telephone number for both the Association and the designated agent or management company, if any; including licensing numbers, and
(e) The initial date of recording of Declaration including the reception or book/page numbers.

WITHIN 90 DAYS AFTER THE END OF EACH FISCAL YEAR, the Pinnacle Homeowner's Association will make the following information available to Owners upon reasonable notice as stated herein.

- Beginning date of the fiscal year;
- Operating budget for current fiscal year;
- List of current regular and special assessments by unit type;
- Annual financial statements including amounts held in reserve for the previous fiscal year;
- Financial audit or review results that are most recently available;
- List of all association insurance policies including insurance company names, policy limits, policy deductibles, additional named insureds, and policy expiration dates;
- Declarations, Bylaws, Articles of Incorporation, Rules and Regulations;
- Minutes of the Executive Board and member meetings for the previous fiscal year; and
- Responsible Governance Policies or any other policies adopted by the Association.

MEANS AND METHOD OF DISCLOSURE - This information will be provided to the Unit Owners at no cost and at their convenience through one of the following means: Posting on an internet web page with accompanying notice of the web address via first-class mail or email; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. Cost of distribution shall be charged as a common expense of the association.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **PUBLIC DISCLOSURE POLICY** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: _____ Attest: _____
President Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

RESERVE STUDY POLICY

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following reserve study policy effective January 1, 2017.

The Pinnacle Homeowner's Association shall have a reserve study prepared in the year 2017 and every second (2nd) year thereafter for the portions of the Association that are maintained, repaired, replaced, or improved by the Association. The reserve study shall be based on a physical and financial analysis. Any work recommended by the reserve study and approved by the Association in its annual budget may be funded by special and/or annual assessments. The Association may elect to have this reserve study externally conducted.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **RESERVE STUDY POLICY** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY:

President

Attest:

Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC.

PATRIOTIC EXPRESSION AND POLITICAL EXPRESSION POLICY

Effective Date: January 1, 2017

For compliance with current Colorado law and to promote responsible governance, the Pinnacle Homeowner's Association Executive Board does hereby adopt the following patriotic and political expression policy effective January 1, 2017.

PATRIOTIC EXPRESSION

Unit Owners may display the American flag on their property in a window or on an adjoining balcony in a respectful manner consistent with the Federal Flag Code. The Pinnacle Homeowners Association may adopt reasonable rules regarding the placement of and manner of display of the American flag.

Unit Owners may install flags or flagpoles with prior written permission from the Board, but the Pinnacle Homeowners Association may regulate the location and sizes of the flags and flagpole.

During a time of war or armed conflict, Unit Owners may display a service flag on the inside of a window or a door bearing a star denoting the military service of the Owner or someone in their immediate family. The Pinnacle Homeowners Association may adopt reasonable rules regarding the size and manner of display of service flags, except the maximum dimensions shall be not less than 9 inches by 16 inches.

POLITICAL EXPRESSION

Unit Owners may display political signs within the boundaries of their property or in a window not more than forty-five days before an election day and no later than seven days after an election day. The Pinnacle Homeowners Association may regulate the size and number of political signs.

The Pinnacle Homeowners Association shall permit at least one political sign per political office or ballot issue contested in the pending election with the maximum dimensions limited to the **lesser** of the following:

(a) The maximum size allowed by an applicable city, town, and county ordinances.

(b) Thirty-six inches by forty-eight inches.

"Political sign" means a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue.

CERTIFICATION

The undersigned, duly elected President and Secretary of The Pinnacle Homeowner's Association, Inc., a Colorado nonprofit corporation, do hereby certify that the foregoing **PATRIOTIC EXPRESSION AND POLITICAL EXPRESSION POLICY** was approved and adopted by the Executive Board at a regular board meeting on 5/31, 2017.

BY: Diana Bennett
President

Attest: John D Cairns
Secretary

THE PINNACLE HOMEOWNER'S ASSOCIATION, INC

The following table will clarify the policies currently required versus the policies previously drafted.

October 2009 Policy Statements	January 2017 Policy Statements
Amendment of Declaration (67% requirement)	No policy necessary-stated in Amended Declaration Article XIII
Architectural and Landscape Changes	No policy necessary-stated in Amended Declaration Article V
Association Meetings	Association Meetings Policy
Association Records	Association Records Policy
Audits or Reviews	Audit or Review Policy
Board Member and Owner Education	No policy necessary
Budget Approvals	No policy necessary-stated in Amended Declaration Article IV (4)(c)
Emergency Vehicles	No policy necessary
Insurance Claims	No policy necessary
Optional Escrow Agreement with Mortgagee	No policy necessary
Patriotic Expression and Political Expression	Patriotic Expression and Political Expression Policy **(enclosed)**
Public Disclosures	Public Disclosure Policy
Responsible Governance	6 separate policies including Adoption and Amendment of Policies, Procedures & Rules; Alternative Dispute Resolution; Collection; Conflict of Interest of Board Members; Covenant/ Rules Enforcement; Reserve Fund Investment; and Reserve Study.
Sale of Units Seller's Duty of Disclosure to Buyer	Repealed
Voting	Included in Association Meetings Policy