

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

POLICIES AND PROCEDURES FOR COLLECTING DELINQUENT ASSESSMENTS

(Effective Date: September 22, 2015)

The Avon Town Square Commercial Condominium Association, Inc. (the "Association") is a commercial common interest association of owners that was organized under the provisions of the Colorado Revised Nonprofit Corporation Act. The Association is also subject to many of the terms and provisions of the Colorado Common Interest Ownership Act ("CCIOA"). Under Section 209.5 of CCIOA, the Association is required to adopt written policies and procedures for collecting delinquent assessments. The Board of Directors (the "Board") of the Association also has the authority to adopt written policies and procedures for collecting delinquent assessments incurred by an owner.

Underlying Philosophy

This statement of policies and procedures for the collection of delinquent assessments has been adopted by the Board of the Association effective upon the date specified above. The terms of this policy are also adopted as part of the Association's rules and regulations.

The Association must operate in a fiscally responsible manner. Without insisting on the prompt payment of all assessment obligations levied by the Association, the ability of the Association to provide services under the Declaration could be impaired. Consequently, the Board has determined that it will vigorously enforce all of the Association's available remedies to collect delinquent assessments. These remedies will be applied in a consistent and nondiscriminatory manner.

Assessments

Under the Association's Declaration, the Board has the delegated power to adopt and amend budgets for revenues, expenditures and reserves of the Association and collect annual assessments as well as supplementary, extraordinary and special assessments. This power includes the right to impose interest and late payment charges and to recover attorney fees and other legal costs of collecting and enforcing payment of delinquent assessments.

Past due assessments create a statutory lien under CCIOA which automatically attaches to the affected unit and which is preserved by recordation of a statement of lien. This statutory lien may be foreclosed in the same manner as any other lien or charge against real property, and the unit may be sold at a foreclosure sale in order to satisfy the delinquent assessments. The Declaration also establishes that the assessment obligation is a personal obligation of the owner of the unit. Therefore, the Association's collection remedies include the right to institute a personal civil suit against the owner of the unit in order to obtain a judgment for damages against the owner for the amount of the delinquent assessments along with late charges, interest, attorney fees and costs.

PROCEDURES FOR COLLECTING DELINQUENT ASSESSMENTS

1. Standard Billing and Payment Procedures

Periodic statements for assessment obligations are mailed to or delivered to owners on a monthly basis in advance. For example, statements for January are sent during the preceding month of December and are payable on January 1st. The payment is considered delinquent if it is not paid within 30 days after the payment due date. Each statement is payable in full for each applicable assessment period.

The manager will contact owners with a reminder as a matter of courtesy when a payment is not received within 30 days from the date it is due. When any payment becomes delinquent, the general manager will attempt to expedite payment. In addition, the Association's rules and regulations provide for interest and late fees to be imposed on delinquent accounts. If a payment is delinquent for a period of 120 days, the manager is authorized to commence collection proceedings.

A reminder will be sent to owners 30 days after an assessment payment becomes delinquent. If an assessment payment remains delinquent more than 60 days, the manager will notify the Board of this situation. The Board may, at its discretion, take any remedial or enforcement actions permitted under the Association governing documents or under this policy that the Board may deem appropriate. The manager may also record a delinquent assessment lien statement in the real estate records as a statutory encumbrance against the unit.

Payments received on delinquent accounts will be applied first to any accumulated and unpaid late charges and delinquent interest accruals as well as any other charges such as late fees and attorney fees. The remaining amount of the payment will be applied against the amount of the delinquent assessment obligation. For example, if the delinquent assessment obligation is \$1,000, and \$200 in late fees and delinquency interest have accrued against the account, a payment of \$1,000 will be applied first to the late fees and accrued interest, thereby leaving only \$800 to be applied against the \$1,000 assessment obligation.

2. Late Fees and Other Charges

Under the provisions of the Association's governing documents, interest at a rate not to exceed 2% plus prime per annum will be imposed upon all assessments that are delinquent. In addition, the Association will impose a monthly late fee equal to 5% of the amount of any delinquent payment. This late fee is imposed at the beginning of each month that a payment remains delinquent.

In the event any payment by check is reversed because the check is returned to the Association unpaid, the Board has authority to impose a returned check fee. The current amount of this fee is \$40.00.

3. Payment Plan

When initiating any steps to collect past due assessments, the Association will attempt to enter into a payment plan as described in the attached Payment Plan Guidelines, with any owner who has not previously entered into a payment plan with the Association. The payment plan will permit the owner to pay off the delinquency in equal installments over a period of six months. However, the owner must also remain current with assessments and other obligations that come due to the Association during this six month period.

If the owner fails to comply with the terms of the payment plan, the Association may immediately commence legal action against the owner or undertake any other remedies available to the Association. For purposes of this policy statement, any reference to assessments includes regular and special assessments and any associated fees, charges, late charges, attorney fees, fines and interest that may be due to the Association.

The Association is not required to enter into a payment plan in any situation where the owner does not occupy the unit and has acquired title to the unit because of a mortgage or lien foreclosure proceeding.

4. Notice of Delinquency

Before the Association refers a delinquent assessment account to a collection agency or to an attorney for collection, the Association will send the owner a notice of delinquency specifying the total amount due along with an accounting of how this total amount was calculated. The notice will also state whether the opportunity to enter into a payment plan exists, and if so, will contain instructions for contacting the Association's manager to enter into a payment plan. The notice will also contain the name and contact information of the Association's manager and provide that the owner may request a copy of the assessment ledger from this source in order to verify the amount that is due.

The notice will specifically explain the action that is required to cure the delinquency. The notice will also provide that the failure to cure the delinquency within thirty days could result in the account being turned over to a collection agency or attorney for further action. This could include the commencement of a lawsuit against the owner or the commencement of a foreclosure lawsuit against the owner's unit or the pursuit of any other remedies that may be available to the Association.

The notice will also explain the method that is used to apply payments received by the Association against delinquent accounts. This includes the Association's right to apply payments first against outstanding late charges and fees, such as attorney fees and court costs, before applying sums against amounts that are delinquent. The notice will also specify the various collection remedies that are available to the Association under its governing documents and under Colorado law.

5. Assessment Collection Procedures

The first step in the assessment collection procedure involves the preparation, execution and recording of an assessment lien statement. The Association has a very clear statutory lien power under the provisions of CCIOA, and the recordation of the Association's lien statement becomes a lien and encumbrance against the affected unit. The Board will direct the Association's attorney to prepare and record an assessment lien statement in the Eagle County real estate records asserting a lien against any unit when an assessment is delinquent by more than 90 days. The lien statement will describe and summarize all assessments which are due and owing as of the date of the lien statement and contain a description of accrued interest and all attorney fees and costs.

Under the terms of the Association's Declaration, the Association is entitled to impose late fees as well as interest on all delinquent assessments. These amounts will be added to the amount of the lien. In addition, the Association may add amounts for expenses incurred by the Association for attorney fees and costs which relate to the collection process.

6. Delinquent Assessment Lien Foreclosure

After a lien statement has been recorded and any portion of the assessment obligation described in such statement remains unpaid for a period of 30 days after the date on which the lien statement was recorded, the manager is authorized to forward the matter to the Association's attorney for the commencement of a judicial foreclosure proceeding. The lien foreclosure proceeding will be filed in the Eagle County District Court and will request the foreclosure and sale of the affected unit in order to satisfy the lien indebtedness. In a judicial foreclosure proceeding, the owner of the affected unit will be personally served with a copy of the district court summons and complaint. Depending upon the location where the affected owner is served, a responsive pleading must be filed within either 20 days (for service inside the State of Colorado) or 30 days (for service outside the State of Colorado) in order to prevent the entry of a judgment by default and an order of sale. Where the court orders a unit to be sold in a judicial foreclosure proceeding, the sales proceeds will be utilized to pay the assessment lien and any other liens which are subordinate to the assessment lien.

7. Suit for Money Judgment

Under the terms of the Association's Declaration, the Association also has the right to institute a civil action against the owner of the affected unit seeking a personal judgment against the owner for money damages in the amount of the assessment delinquency along with all late fees, interest, costs and attorney fees. In some instances, the Association may choose to commence the suit for a personal judgment as part of its judicial foreclosure proceedings. In this instance, the complaint in the judicial foreclosure proceeding will also contain a separate claim against the owner for a personal judgment. In other instances, the Association may determine that it is more effective to file a civil action for a personal judgment against the owner and temporarily forego any judicial foreclosure remedy. This election of remedies is a matter which is within the sole discretion of the Board, and decisions of this nature will be made on a case by case basis.

8. Suspension of Voting Rights

Under CCIOA, the Association has the authority to suspend the voting rights of an owner of a unit who has failed to pay a delinquent assessment. The Board will enforce this authority in all cases. Consequently, when an assessment is delinquent more than 90 days from its due date, the owner of the affected unit will not be permitted to vote on any matters which come before the Association at any regular or special meeting of the owners.

9. Mediation

Under the provisions of CCIOA, the Association and an owner have the right to jointly agree and consent to submit any assessment dispute to mediation proceedings. However, it is the decision of the Board that mediation is not an effective remedy for collecting delinquent assessments. Consequently, the Association will not consent to mediating any dispute arising out of a controversy involving delinquent assessments.

10. Attorney Fees and Costs for Delinquent Assessment Obligations

The terms of CCIOA provide that in any litigation between the Association and an owner, the court may award attorney fees and costs to the prevailing party. This means that if the Association prevails in litigation against an owner, the attorney fees, expenses and court costs incurred by the Association will be awarded as part of any judgment against the owner. This also means that the Association's attorney fees, expenses and court costs will be awarded as part of any assessment lien foreclosure proceedings in which the Association prevails.

In the event that a court should find that an owner has not violated the terms of the Declaration by failing to pay assessments, the court may award the owner reasonable attorney fees and costs incurred in defending against the Association's claims.

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

CODE OF CONDUCT AND CONFLICTS OF INTEREST POLICY

(Effective Date: September 22, 2015)

The Avon Town Square Commercial Condominium Association, Inc. (the "Association") is a commercial common interest association of owners that was organized under the provisions of the Colorado Revised Nonprofit Corporation Act (the "Act") and is subject to many of the terms and provisions of the Colorado Common Interest Ownership Act ("CCIOA"). Under Section 209.5 of CCIOA, every condominium association is required to adopt responsible governance policies. One of these written policy statements must include a description of the method by which members of the Board of Directors ("Board") handle conflicts of interest. Sections 209.5 and 310.5 of CCIOA require specific conflict of interest standards and requirements and also provide that any standards and requirements adopted by the Board must be consistent with the Act.

This policy statement concerning conflicts of interest has been adopted by the Board in order to ensure that the Board members, and all individuals appointed to committees of the Board, maintain a high standard of ethical conduct in the performance of the Association's operations and adhere to the conflict of interest standards and requirements in the Act. In this fashion, the owners will be able to have confidence in and respect for the Association's leadership.

A. **Definitions.** In this policy statement, the words and phrases below will have the following meanings.

1. "Person" shall mean any director or member of a committee with Board delegated powers and shall also include, without limitation, any officer of the Association or any manager, attorney or accountant employed by the Board.

2. "Owner" shall mean a member of the Association who owns a condominium unit.

3. "Interested person" shall mean any director, principal officer, or member of a committee with Board delegated powers who has a financial interest in any relevant transaction.

4. "Member" means an owner or a member of a committee with Board delegated powers.

5. "Conflicting interest transaction" shall mean a contract, transaction, or other financial relationship between the Association and an interested person or between the Association and an entity, trust or estate in which the interested person or a member of the interested person's family is a director or officer or has a financial or beneficial interest.

6. "Compensation" shall mean and include direct and indirect remuneration as well as gifts or favors that are substantial in nature.

B. General Rules.

1. No person shall accept a gift or favor made with the intent of influencing a decision or action on any Board or Association matter.

2. No person shall intentionally misrepresent facts to any owners or Board members for the purpose of advancing a personal cause or influencing owners to place pressure on the Board to advance such person's personal cause.

3. No person shall interfere with the system of management established by the Board and the management company.

4. No person shall interfere with the duties of any staff member of the Association or the management company.

5. No person shall accept or participate in the making of any loan by the Association to any of its directors or officers or any manager, attorney or accountant employed by the Board.

C. Procedures.

1. Duty to Disclose. In connection with any actual or possible conflicting interest transaction, an interested person must disclose the existence and material facts relating to his or her financial interest to the directors and committee members with Board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest or other facts surrounding a potential conflict, the interested person shall leave the Board or committee meeting while the remaining Board or committee members decide if a conflict of interest exists. If the remaining members determine by a majority vote that there is a conflicting interest transaction, they must then follow the procedures set forth below.

3. Procedures for Approving Conflicting Interest Transactions.

3.1 The remaining Board or committee members shall first decide whether it is appropriate to withhold a vote on the proposed conflicting interest transaction or arrangement while investigating alternatives in order to ascertain whether the Association can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflicting interest transaction.

3.2 If and when it is determined by the remaining Board or committee members that it is appropriate to vote on the proposed conflicting interest transaction, and if the remaining Board or committee members also determine that the interested person should be permitted to participate and vote on the question, the question shall be put to a vote of all of the directors or members.

3.3 If it is determined by the remaining Board or committee members that it is appropriate to vote on the proposed transaction, but that the interested person should not be permitted to participate and vote on the question, the question shall be taken up by a discussion and vote of all of the directors or members except for the director or member who is an interested person.

3.4 The approval of the conflicting interest transaction shall only take place under one of the following scenarios:

3.4.1 The material facts as to the interested person's relationship and the conflicting interest transaction are disclosed or are known to the directors entitled to vote thereon, and the directors in good faith authorize, approve or ratify 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

3.4.2 The material facts as to the interested person's relationship and the conflicting interest transaction are disclosed or are known to the directors entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the directors entitled to vote thereon; or

3.4.3 The directors make an independent determination that under all prevailing circumstances the conflicting interest transaction is fair to the Association.

4. Violations of the Conflicts of Interest Policy.

4.1 If the Board or any committee with Board delegated powers has reasonable cause to believe that a director or member has failed to disclose actual or possible conflicts of interest, it shall inform the director or member of the basis for such belief and afford the director or member an opportunity to explain the alleged failure to disclose.

4.2 If, after hearing the response of the director or member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the director or member has in fact failed to disclose an actual or possible conflict of interest, the Board shall take appropriate corrective action.

D. **Records of Proceedings.** The minutes of the Board and all committees with Board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflicting interest transaction, the nature of the financial interest, any action taken as a result, and the Board's or committee's decision.

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

E. **Periodic Review.** The Board shall review this policy statement on a periodic basis with counsel for the Association in order to assure that the policy statement complies with applicable state law.

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

POLICY STATEMENT FOR CONDUCT OF MEETINGS

(Effective Date: September 22, 2015)

The Avon Town Square Commercial Condominium Association, Inc. (the "Association") is a commercial common interest association of owners that was organized under the provisions of the Colorado Revised Nonprofit Corporation Act (the "Act") and is subject to many of the terms and provisions of the Colorado Common Interest Ownership Act ("CCIOA"). Under Section 209.5 of CCIOA, every condominium association is required to adopt responsible governance policies. One of these written policy statements must describe the method by which members of the Board of Directors ("Board") conduct meetings.

Board of Director Meetings

The Association's Bylaws require the first regular Board meeting to be scheduled within 10 days of the annual meeting of the owners. The Board may schedule additional regular or special meetings as may be necessary or appropriate. Notice of any Board meeting shall be provided in the manner specified in the Bylaws. Meetings are normally held at the Association's offices, and attendance by teleconference is permitted. Directors ordinarily are expected to attend all scheduled Board meetings, as well as the annual meeting of the owners, and they are expected to review the materials provided to them in advance of each meeting.

The Board is responsible for its own agenda. The president and the manager prepare an agenda of items to be discussed during the course of each meeting. Each member of the Board may also suggest issues to be scheduled and discussed. The president determines the nature and extent of information to be provided regularly to the directors before each scheduled Board or committee meeting.

The manager is expected to be present at all meetings of the Board. Any owner may attend a scheduled Board or committee meeting. However, owners and third parties may be excluded from any Board meeting that is being conducted by the president in Executive Session where the Association's counsel is present. Each Board meeting shall be conducted in accordance with the procedural requirements of the Colorado Revised Nonprofit Corporation Act.

Meetings of the Owners

There is one scheduled meeting of the owners each year. This annual meeting normally takes place during the month of December. During this meeting, the owners will elect directors and transact any other business that may be appropriate. The president and the manager will prepare an agenda for the meeting.

Under the Association's Bylaws, special meetings of the owners may be called by the president or by the Board. Special meetings may also be called by the request of owners entitled to vote 20% or more of the total votes of the owners. Each meeting of the owners is held at the Association offices or at such other location as the Board may determine. Notice of the annual meeting or any special meeting will be provided in writing in accordance with the Association Bylaws. In voting on any matter, cumulative voting is not permitted. Each meeting will proceed in accordance with the applicable requirements of the Colorado Revised Nonprofit Corporation Act.

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

PROCEDURES FOR ENFORCEMENT OF COVENANTS AND RULES

(Effective Date: September 22, 2015)

The Avon Town Square Commercial Condominium Association, Inc. (the "Association") is a commercial common interest association of owners that was organized under the provisions of the Colorado Revised Nonprofit Corporation Act (the "Act") and is subject to many of the terms and provisions of the Colorado Common Interest Ownership Act ("CCIOA"). Under Section 209.5 of CCIOA, every condominium association is required to adopt responsible governance policies. One of these written policy statements must describe the procedures for enforcement of covenants and rules utilized by the Board of Directors ("Board").

The Association is governed by its recorded Declaration and all supplements thereto. Article VII, Section 1 of the Declaration requires each owner to comply with the provisions of the Declaration and all covenants and rules adopted by the Association and states as follows:

COMPLIANCE WITH PROVISIONS OF DECLARATION AND BYLAWS. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation, Bylaws and Rules of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the managing agent or Board of Directors in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

The Association's Declaration and Bylaws delegate power to the Board to adopt procedures to enforce compliance with the governing documents of the Association by civil suit or otherwise. This includes the enforcement of all rules and regulations of the Association. In addition to injunctive relief, the Association is also empowered to seek damages from an Owner in any appropriate case.

Under CCIOA, the Board is empowered to determine and impose fines upon Owners who fail to comply with the Association's governing documents and its rules and regulations. The Association will adopt procedures for scheduling a prior notice and hearing concerning any alleged noncompliance.

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

ASSOCIATION RECORDS POLICY

(Effective Date: September 22, 2015)

The Avon Town Square Commercial Condominium Association, Inc. (the "Association") is a commercial common interest association of owners that was organized under the provisions of the Colorado Revised Nonprofit Corporation Act (the "Act") and is subject to many of the terms and provisions of the Colorado Common Interest Ownership Act ("CCIOA"). Under Section 209.5 of CCIOA, every condominium association is required to adopt responsible governance policies. One of these policy statements must describe the nature and variety of records that the Association must maintain and the manner in which these records will be made available to owners and others.

Association Records

Under the Bylaws of the Association, the Secretary of the Association must keep the minutes of all Board of Director ("Board") and unit owner meetings along with records describing the current names and addresses of the unit owners. It is the responsibility of the Manager to maintain all other Association records and to assure that the Association is in compliance with the record keeping requirements of Section 317 of CCIOA. This particular section of CCIOA details the treatment of all records of the Association including the books of account, financial statements, governing documents, and other information concerning the operations of the Association. Specific records and information must be maintained and made available for inspection and copying by the unit owners (or their authorized agents) in the manner set forth in CCIOA and in this policy statement.

The list of records and information that the Association must maintain under Section 317 of CCIOA is extensive. A summary describing the types of records and information subject to Section 317 is attached to this policy statement. All inquiries concerning Association records should be submitted directly to the Managing Agent.

The preparation and delivery of statements for periodic assessments and fees is handled under the direction of the Manager. Detailed billing records describing the current assessment status for each Unit is maintained by the Manager. Whenever a unit owner or his designee or mortgagee requests a written statement describing the amount of unpaid assessments for a related Unit, the Manager will furnish a written statement within 14 days of the request. The contents of the written statement will be binding upon the Association.

The Association's records must be made available for examination and copying by a unit owner or his authorized agent, but only by submitting a written request to the Manager describing the specific records that are being requested. This written request must be received by the Manager at least 10 days before the date of inspection. The Manager is entitled to limit examination and copying times in the manner specified in Section 317(2)(a) of CCIOA.

The list of unit owners will be protected and may not be obtained or used by any unit owner or his authorized agent for a purpose that is unrelated to the unit owner's interest as a unit owner. In addition, the list of owners may not be sold or used for any commercial purpose. Similarly, the list

cannot be used to solicit money or property except in connection with voting campaigns within the Association.

Certain Association records may be withheld from inspection and copying if they pertain to (1) architectural drawings, plans and designs, (2) business transactions currently being negotiated or released for bidding, (3) attorney-client privileged communications or material subject to the work product doctrine, (4) legally protected information, (5) Board meetings in executive session, (6) information about other Units, or (7) personal identification and contact information for other unit owners. Owners can, however, consent to the disclosure or publication of their email addresses and/or telephone numbers under procedures that are adopted by the general manager.

Personnel, salary and medical records in the possession of the Association or the Manager may not be disclosed under any circumstances. These kinds of records are protected under a variety of laws and regulations.

The Manager is entitled to impose reasonable fees to cover administrative, retrieval and copying expenses in connection with any request for Association records. These fees must be paid in advance. Rather than providing physical copies of records, the Manager may furnish electronic copies.

Even though the Association will carefully restrict access to personal information of unit owners and employees of the Association, the Manager will have access to this information in order to carry out Association operations. The Association and the Manager will train employees to protect the confidentiality of personal information. Personal information and records relating to a unit owner will not be disclosed to any third party or nonaffiliated entity unless permitted by law or otherwise authorized by the Manager or the Board.

ADDENDUM TO POLICY STATEMENT

ASSOCIATION RECORDS REQUIRED TO BE MAINTAINED BY THE ASSOCIATION

This addendum describes the nature and types of records to be maintained by the Association under its governing documents and under the Colorado Common Interest Ownership Act (CCIOA):

- Detailed records of receipts and expenditures concerning the association's operations and administrative functions.
- All records concerning construction defect claims and nonconfidential settlement amounts.
- The minutes of all owner and board meetings as well as a record of all actions taken by owners or board members without a meeting as well as a record of all actions taken by any committee appointed by the board.
- Written deliberations and votes cast by board members that are directly related to any board action taken without a meeting pursuant to law or pursuant to the bylaws. Written communications by board members and records of specific votes that were cast will be viewed as association records. But this will be true only to the extent that such communications are directly related to an action taken by the board without a meeting. Written communications between board members that do not pertain to specific board actions will not be viewed as association records that are open to inspection by unit owners. In all cases, email addresses and telephone numbers for unit owners will be excised unless appropriate written consents are on file.
- The names of unit owners and their mailing addresses (but not email addresses) along with the allocated voting strength for each.
- Current declaration, covenants, bylaws, articles of incorporation, or other corresponding organizational documents, rules and regulations, governance policy statements, and all other policies adopted by the board.
- Financial statements for the association for past 3 years and tax returns for the past 10 years (to the extent available).
- A list of the names, association-based e-mail addresses, and physical mailing addresses of the Association's current board members and officers.
- Most recent annual report delivered to the secretary of state.
- Financial records sufficiently detailed to comply with CCIOA requirements concerning unpaid assessments.
- The association's most recent reserve study, if any.
- Current written contracts to which the association is a party and contracts for work performed for the association within the immediately preceding two years.
- Records of board or committee actions to approve or deny requests from unit owners for design or architectural approval. However, the association may withhold architectural drawings, plans, and designs from disclosure unless the owner of such drawings, plans, and designs provides written consent for disclosure.
- Ballots, proxies, and other records related to voting by unit owners for one year after the election, action or vote to which they apply.
- Resolutions adopted by the board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members.

- All written communications within the past three years to all unit owners generally as unit owners. In all cases, email addresses and telephone numbers for unit owners will be excised unless appropriate written consents are on file.
- The Association's operating budget for the current fiscal year.
- A list of all Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. This list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the listed policies. This list shall also include any errors and omissions policy for the Association's manager in which the Association is designated as an additional insured or as a beneficiary or protected entity.

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

INVESTMENT POLICY

(Effective Date: September 22, 2015)

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The primary objective to be accomplished under this investment policy is to preserve capital and minimize any potential for capital losses. The Board is charged with the responsibility of overseeing both the implementation and administration of the investment policy. In discharging this duty, the Board will delegate to the Association manager all necessary authority to administer the Association's investment policy and manage all investments of the Association's funds. In this connection, the manager shall make investment decisions in a manner that is consistent with the directions of the Board and with this investment policy.

The manager shall also be responsible for monitoring the status of all invested funds and reporting to the Board on a quarterly basis. Each report shall provide a summary of the performance of all investments and shall also include copies of the most recent brokerage and deposit account statements for investment and other accounts held in the name of the Association.

The manager shall make investment decisions and discharge his duties in good faith and with the care of an ordinarily prudent person under similar circumstances. In carrying out any decision or activity, the manager shall act in a manner which he reasonably believes to be in the best interests of the Association. The manager may rely on information, opinions and reports (including financial statements and other financial data) that have been prepared by accountants and other professionals, as well as other information which may be relevant.

In making specific investment decisions, the manager shall be guided by the current and anticipated cash flow needs of the Association as determined from time to time. This process shall include an analysis of the Association's current budgetary requirements and any approved capital repair or replacement projects.

The manager may, in turn, delegate certain investment and management functions to an established investor representative such as a brokerage company or bank. The manager shall take all appropriate steps to assure that time and brokerage deposits of the Association are insured to the maximum extent under existing deposit and investor insurance coverage. Securities may be held in street name or custody by the brokerage firm or bank. All investment accounts shall be maintained in the name of the Association. Disbursements from any such account shall be made only upon authorization by the Board. A copy of this policy statement shall be delivered to any investor representative utilized by the Association.

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES AND RULES

(Effective Date: September 22, 2015)

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Under the provisions of CCIOA, the Board may adopt policies, procedures and rules only during a regular or special meeting. Members of the Association and their representatives are entitled to attend and speak at any regular or special meeting of the Board. However, the Board may impose reasonable restrictions on this process. The Board may also restrict attendance and hold a closed door session under the circumstances enumerated in CCIOA.

Under the provisions of the Act, any action to be taken at a meeting of the Board may be taken without a meeting as long as each and every member of the Board votes for such action and a notice of the action taken is reduced to writing and signed by all of the members of the Board. An action taken in this manner will have the same effect as if the action had been taken at a regular or special meeting of the Board.

It is the philosophy of the Board that policies, procedures and rules of the Association should normally be adopted and amended only at a regular or special meeting of the Board. However, the Board reserves the right to take action without a meeting in circumstances where expedient action is deemed necessary or appropriate. The Board has directed the Manager of the Association to take all reasonable steps as required by CCIOA to provide owners with notice of any regular or special meeting of the Board.

At any meeting of the Board where a policy, procedure or rule is proposed to be adopted or amended, the presence (either in person or by other means of electronic communication) of a majority of the directors who are acting and qualified will constitute a quorum for the transaction of business. The votes of a majority of the directors who are present at the meeting shall be necessary to adopt or amend any policy, procedure or rule. The directors, in taking any such action, will be guided by their obligations and duties as described in the governing documents for the Association and under CCIOA and the Act. Any policy, procedure or rule which is adopted or amended by the Board shall be published and disseminated to the Association's members. The Association's Declaration requires members and their guests to comply with such policies, procedures and rules. The Declaration and Bylaws for the Association also provide for enforcement remedies on the part of the Association in order to ensure compliance.

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

PROCEDURES FOR ADDRESSING DISPUTES ARISING BETWEEN THE ASSOCIATION AND UNIT OWNERS

(Effective Date: September 22, 2015)

The Avon Town Square Commercial Condominium Association, Inc. (the "Association") is a commercial common interest association of owners that was organized under the provisions of the Colorado Revised Nonprofit Corporation Act (the "Act") and is subject to many of the terms and provisions of the Colorado Common Interest Ownership Act ("CCIOA"). Under Section 209.5 of CCIOA, every condominium association is required to adopt responsible governance policies.

One of these written policy statements must include a description of Board of Director (the "Board") procedures for addressing disputes arising between the Association and unit owners.

Disputes can arise within a condominium association environment in two different contexts. The first context would occur in any situation in which the Association is required to enforce the terms of its governing documents against a non-complying unit owner. Examples of this would be a collection proceeding by the Association to enforce the payment of delinquent assessments or a lawsuit filed by the Association to enjoin or prohibit a unit owner from making impermissible structural changes to the common elements. The second context would occur in situations where a unit owner has a claim of some sort against the Association. An example of this would be damage caused to the unit owner's personal property as a result of an alleged negligent act by an Association employee.

It is the considered judgment of the Board that the use of alternative dispute resolution procedures such as mediation and arbitration will often be useful and efficient tools within the second context described above, and that such procedures will result in less cost and complexity. Accordingly, the Board has determined that the use of alternative dispute resolution procedures will be a mandatory condition prior to the filing of any civil action by a unit owner against the Association in any matter that falls within the second context described above. The Board has investigated the mediation, settlement assistance and arbitration services offered by the Judicial Arbitrator Group, Inc. in Denver, Colorado. This firm provides the assistance of an experienced judicial officer who facilitates claim and settlement proceedings in an informal setting. The firm also conducts arbitration hearings in accordance with either the familiar Rules of Civil Procedure or the rules of the American Arbitration Association. The Board recommends the use of all of the alternative resolution dispute procedures and services offered by the Judicial Arbitrator Group, Inc. for matters which fall within the second context described above.

The Board has also concluded that the use of alternative dispute resolution procedures within the first context described above is not warranted, and that the Association should at all times have direct and clear access to the court system for the enforcement of covenants and provisions contained in its governing documents. As a result, the Board has determined that alternative dispute resolution procedures shall not be permitted in any situation where the

Association is entitled to pursue a civil action or other proceeding in the court system to enforce compliance with the terms of its governing documents or in any situation where the Association is attempting to collect delinquent assessments or other obligations from a unit owner or is pursuing its remedies under CCIOA to perfect a statutory lien against a unit for delinquent assessments and foreclose the lien through the court system.

All unit owners and members of the Association and their guests and tenants shall be bound by this policy governance statement. In the event a civil action is threatened or filed against the Association by any unit owner or any guest or tenant of a unit owner arising out of any claim or complaint involving the Association, this policy governance statement may be used by the Association as grounds to compel the unit owner to submit the matter to alternative dispute resolution procedures prior to taking any further action with regard to any threatened or pending civil action.

AVON TOWN SQUARE COMMERCIAL CONDOMINIUM ASSOCIATION

CAPITAL REPLACEMENT RESERVES POLICY

(Effective Date: September 22, 2015)

The Avon Town Square Commercial Condominium Association, Inc. (the "Association") is a commercial common interest association of owners that was organized under the provisions of the Colorado Revised Nonprofit Corporation Act (the "Act") and is subject to many of the terms and provisions of the Colorado Common Interest Ownership Act ("CCIOA").

Under the Association's governing documents, the Board of Directors (the "Board") has the delegated power and authority to deal with all matters concerning the Association's capital replacement reserve needs and requirements. Under the terms of the Association's Declaration and its other governing documents, the Association must establish and maintain an adequate reserve account to provide for the periodic maintenance, repair and replacement of various common elements. The Association is also required to comply with this process under the provisions of CCIOA. This means that the Association must fund its reserve account in amounts that will be sufficient to address major expenses incurred from time to time for repair and replacement of its limited and common elements and any of its facilities. In fulfilling this obligation, the Board has approved and adopted the procedures set forth below. The Board also communicates with the Association's Manager on an ongoing basis and monitors the reserve needs of the Association. The Board and the Manager take appropriate steps to assure that adequate funding for capital repair and replacement expenses is available.

Capital Reserve Studies and Reports

The Association's reserve responsibilities are reviewed by the Board and the Manager on an annual basis. This review is based upon the Manager's inspections and recommendations as well as evaluations that the Manager obtains periodically from outside contractors and consultants. Based upon apparent needs as perceived by the Board and as revealed by inspections and reports, the Board determines the extent and cost of the necessary repairs and replacements and then takes appropriate steps to authorize the necessary work.

Copies of all reports relating to capital repair and replacement issues will be distributed promptly to each Board member. The Manager has the responsibility to bring capital repair and replacement issues to the attention of the Board and to schedule discussion of this subject as an agenda item at all regular Board meetings. The Board has complete discretion to require such further reports or information as may be deemed necessary or appropriate before taking any action with regard to a proposed capital repair or replacement project.

Establishing and Maintaining the Reserve Account

The Manager will maintain the Association's reserve accounts at one or more banks as approved by the Board. At the present time, reserve account funds are maintained in savings accounts that provide the highest available interest rate offered by the depository bank for such accounts. The goal of the Association is to preserve these funds in a manner that will ensure availability but also provide a competitive rate of return. The Board has determined that this can be accomplished for the present time by maintaining the funds in higher-yielding bank savings

accounts. If appropriate, the Board will also determine whether such funds should be deposited in money market funds of major brokerage accounts, bank certificates of deposit or U.S. treasury securities with maturities of one year or less.

The status of the reserve account funds will at all times be reflected in the Association's current financial statements. Owners are entitled to review the Association's current financial statements upon request. The Manager is also authorized, upon the request of any owner, to provide additional information to owners concerning the amount and current yield on all reserve account funds of the Association.

The Manager is authorized to make expenditures from the reserve account without prior approval from the Board. If the Board approves a major capital repair or replacement expense and authorizes payment from the reserve account, this fact shall be reflected in the minutes for the next regular Board meeting.

Reserve Fund Levels

It is the goal of the Association to have sufficient reserve funds or borrowing capacity available at all times to meet current capital repair and replacement needs of the Association. The Board will determine the appropriate level of the capital replacement reserve funds from time to time based upon the Manager's recommendations and any related reports or information. Whenever the Board determines that the level of capital replacement funds is inadequate, the Board will take appropriate steps or action to cure the deficiency within a reasonable time. In doing so, the Board is authorized and empowered to engage in all of the funding techniques and mechanisms described below.

Funding Mechanisms

Under the Association's Declaration, a portion of all annual assessments for common expenses collected by the Association is required to be allocated to the capital repair and replacement reserve fund. The Board oversees this annual process and determines the amount of each annual contribution to the reserve fund.

The Association is also empowered under its Declaration to levy special assessments from time to time to pay unbudgeted costs of reconstruction, repair, replacement, renovation and maintenance of the common elements and the facilities. While the Board anticipates that reserve account funds will ordinarily be funded by annual allocations of regular assessment revenues, the Board is mindful that it has authority to levy special assessments from time to time in order to supplement the reserve accounts and provide for needed replacement and repair expenses. This will be done whenever the Board deems that the current operational or capital obligations of the Association require an injection of funds that are not otherwise readily available. The amount of any special assessment is entirely discretionary with the Board.

The Board is also authorized to cause the Association to borrow funds from time to time or obtain other financial accommodations in order to provide funds for immediate operational expenses as well as long term capital replacement and repair expenses. The Association is empowered under CCIOA to pledge its assessment revenue stream as well as other property to collateralize borrowings of this nature.