

**RESOLUTIONS OF
THE BOARD OF DIRECTORS
OF
VILLAGE COOPERATIVE OF LOVELAND

RESPONSIBLE GOVERNANCE POLICIES**

August 3, 2020

The following action is taken by consent of all of the members of the Board of Directors of Village Cooperative of Loveland, a Colorado cooperative corporation ("Cooperative"), in lieu of a Meeting of the Board of Directors, pursuant to authority granted by the Declaration and Bylaws of the Cooperative, and in accordance with Section 7-56-403(5)(a) of the Colorado Cooperative Act and Section 6.15 of the Bylaws, effective as of August 3, 2020:

Whereas, the Colorado Common Interest Ownership Act (CCIOA) imposes certain requirements pertaining to the governance of common interest communities, among them requirements that common interest communities adopt certain responsible governance policies, and in compliance therewith the Board of Directors of the Cooperative desires to adopt such responsible governance policies.

NOW, THEREFORE, BE IT HEREBY RESOLVED, as follows:

A. The responsible governance policies listed below and attached hereto and incorporated herein by this reference are hereby adopted by the Board of Directors as policies of the Cooperative pursuant to the requirements of the Colorado Common Interest Ownership Act:

1. Collection of Unpaid Carrying Charges.
2. Conflict of Interest.
3. Conduct of Meetings/Parliamentary Rules.
4. Notice and Hearing Procedure; Enforcement.
5. Schedule of Fines.
6. Recordkeeping, Inspection and Copying of Cooperative Records.
7. Disclosures to Members/Mean and Methods of Disclosures.
8. Investment of Reserve Funds.
9. Procedures for the Adoption and Amendment to Policies, Procedures and Rules
10. Procedures for Addressing Disputes Arising Between the Cooperative and Members Not Covered by the Declaration, Bylaws or Occupancy Agreement.
11. Member and Board Education.

B. The provisions of this resolution and the attached policies shall be in addition to and in supplement of the terms and provisions of the Declaration, the Bylaws and the Occupancy Agreement, and the laws governing the Community. Real Estate Equities Development, LLC, as

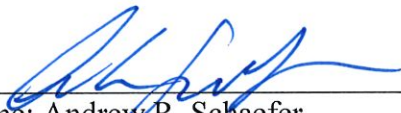
agent of the Cooperative pursuant to the Cooperative Housing Management Agreement, and any successors from time to time, are directed and authorized to implement to the foregoing policies, subject to the oversight of the Board of Directors.

C. The Board of Directors may deviate from the procedures set forth if in its sole discretion such deviation is reasonable under the circumstances.


D. The attached policies may be amended at any time from time to time by the Board of Directors.

E. The signing of this Resolution shall constitute full ratification hereof pursuant to the Cooperative's governing documents and 7-56-403(5)(a) of the Colorado Cooperative Act and a copy of hereof shall be made a part of the Cooperative's records and filed with the minutes of the meetings of the Board of Directors.


F. The foregoing Resolutions shall be effective August 3, 2020, regardless of the date of execution hereof.



Name: Andrew R. Schaefer
Director



Name: Craig H. Brinkman
Director



Name: Shane M. Wright
Director

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

COLLECTION OF UNPAID CARRYING CHARGES

(pursuant to C.R.S. § 38-33.3-209.5(1)(b)(i))

A. If a Member fails to timely pay Carrying Charges (as defined in the Occupancy Agreement) or any money or sums due to the Cooperative, the Cooperative shall have the remedies available to it under the Occupancy Agreement. The Cooperative may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding. These policies are subject to the terms and conditions of the Occupancy Agreement.

B. Carrying Charges are due on the first date of each month. Carrying Charges or other charges not paid in full to the Cooperative within one day after the due date shall be considered past due and delinquent. If a Member shall fail to pay any Carrying Charge within 5 days after the due date for the payment thereof, the Member is subject to a late charge in the amount of \$50.00 for each month delinquent in addition to the unpaid Carrying Charges.

C. Any Member who becomes delinquent in payment of Carrying Charges or other charges may enter into a payment plan with the Cooperative, which plan shall be for a minimum term of 6 months. Such payment plan shall be offered to each Member prior to the Cooperative's referring any account to any attorney or collection agency for collection action. If the Member defaults or otherwise does not comply with the terms and conditions of the payment plan, including payment of ongoing Carrying Charges of the Cooperative, the Cooperative may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

D. Before the Cooperative turns over a delinquent account of a Member to an attorney or collection agency for collection action, the Cooperative shall send the Member a notice of delinquency (i) specifying the total amount due with an accounting of how the total was determined, (ii) informing the owner of the opportunity to enter a payment plan and instructions for contacting the Cooperative regarding a payment plan; (iii) the name and contact information of the person the Member may contact to request a copy of the Member's ledger in order to verify the amount owed; and (iv) stating the action required to cure the delinquency and that failure to do so within 30 days may result in the Member's delinquent account being turned over to an attorney or collection agency for collection action, a lawsuit being filed against the Member, the filing of a foreclosure of a lien against the Member's membership interest, or other remedies available under Colorado law. At the election of the Cooperative, a Member's delinquent account may be turned over to an attorney or collection agency for collection action, a lawsuit may be filed against the Member, a lien may be filed and foreclosed against the Member's membership interest, or the Cooperative may seek any other remedies available under Colorado law. Any lien or other collection undertaken by or on behalf of the Cooperative may include, in addition to delinquent Carrying Charges, any and all late charges, attorneys' fees, and other costs and charges. A judicial foreclosure of the Cooperative's lien may not be commenced unless the delinquency equals or exceeds six months of Carrying Charges based on the period budget adopted by the Cooperative,

and each individual foreclosure action must be approved by the Board of Directors by resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

E. A Member's payments of delinquent Carrying Charges shall be applied as provided in the payment plan entered into between the Cooperative and the Member, if any, and if a payment plan has not been entered, then any payment will be applied first to satisfy any late charges, if any, before such payments are applied to delinquent Carrying Charges.

F. Costs and charges shall not be abated during any protest or appeal of a failure to pay Carrying Charges.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

CONFLICT OF INTEREST

(pursuant to C.R.S. § 38-33.3-209.5(1)(b)(ii))

The provisions of Section 38-33.3-310.5, C.R.S., shall apply to the Cooperative and the members of the Board of Directors in regard to conflicting interest transactions. A “conflicting interest transaction” means a contract, transaction, or other financial relationship between the Cooperative and a director of the Cooperative, or between the Cooperative and a party related to the director, or between the Cooperative and an entity in which a director of the Cooperative is a director, officer or has a financial interest. If a conflicting interest transaction exists, the director shall recuse himself or herself from discussing or voting on the issue unless the director discloses the material facts as to the director’s relationship or interest as to the conflicting interest transaction to the Board of Directors, and the Board of Directors in good faith determines the conflicting interest transaction to be fair to the Cooperative and authorizes, approves or ratifies the conflicting interest transaction by affirmative vote of majority of the disinterested directors. The Board shall review the Cooperative’s conflict of interest policy at least once every three years.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

CONDUCT OF MEETINGS/PARLIAMENTARY RULES

(pursuant to C.R.S. § 38-33.3-209.5(1)(b)(iii))

A. PARLIAMENTARY RULES. Except when specifically or impliedly waived by the chairperson of a meeting (either of the Members or the Board), Robert's Rules of Order (latest edition) shall govern the conduct of the Cooperative's meetings when not in conflict with applicable laws or the Cooperative governing documents or the provisions of the Colorado Cooperative Act; provided, however, that a strict or technical reading of such rules shall not be made so as to frustrate the will of the persons properly participating in said meeting.

B. ORDER OF BUSINESS – OWNERS MEETINGS.

(i) The order of business at all meetings of the Members shall be as set forth in Section 5.10 of the Bylaws. The order of business may be changed by duly approved motion.

(ii) Written ballots must be counted by a neutral third party or by a committee of volunteers composed of Members 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 may not be Board members, or candidates or their family members in a contested election for a Board position.

(iii) The Cooperative shall conduct contested elections for members of the Board of Directors by secret written ballot. Uncontested elections for members of the Board of Directors and all other matters to be voted on at a meeting of the Members may be conducted by any method determined by the Board of Directors including acclamation, by hand, by voice or by written ballot. Votes shall be held by secret written ballot upon the request of 20% of the Members who are present at a meeting in person or by proxy.

C. BOARD MEETINGS. Board meetings shall be conducted in accordance with applicable provisions of the Colorado Cooperative Act, the Colorado Common Interest Ownership Act and the Cooperative's governing documents. Regular and Special Meetings of the Board shall be open to all Members. Members may attend and speak at such meetings by addressing the Board during the Member Comment Section of the agenda, or at other appropriate times determined by the Board upon specific issues under discussion but before the Board votes on the issue; provided, however, that the Board may establish reasonable limitations on the time a Member may speak at such meeting.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

NOTICE AND HEARING PROCEDURE; ENFORCEMENT

(pursuant to C.R.S. § 38-33.3-209.5(1)(b)(iv) and (viii))

A. NOTICE. Whenever the provisions of the Declaration or of the other governing documents of the Cooperative or the Colorado Common Interest Ownership Act require that an action be taken after notice and opportunity to be heard, and at any other time the Board determines, the affected Members have the right to receive notice of the proposed action and the right to be heard by oral comment or in writing. Notice shall be given to each affected Member in writing delivered personally or by mail at such address as appears in the records of the Cooperative, or notice shall be published in a newsletter or similar publication which is routinely circulated to all Members, and may include posting on an Cooperative website or provided by e-mail to Members who so request and provide the Cooperative with their electronic mail addresses, if such electronic means are available. If notice is being given to a Member alleging a violation of the governing documents or seeking to impose a fine, the notice must be given to such Member by personal delivery or by mail as provided in subsection C below. In no event shall notice be given less than thirty (30) days before proposed action is to be taken. The notice shall invite comment (orally or in writing) to the Board before or at the scheduled time of any meeting or hearing.

B. HEARING. For matters that the provisions of the Declaration or of the other governing documents of the Cooperative or the Colorado Common Interest Ownership Act require that an action be taken after notice and hearing, or before the Board acts to impose a fine on any Member, the hearing shall be held before the Board to determine, among other factual issues, whether the alleged violation actually occurred and whether the Member is the person who should be held responsible for the alleged violation. Members and other persons invited to comment or called to testify at the hearing shall be afforded a reasonable opportunity to be heard. Any respondent shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction imposed by the Board, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the Cooperative's managing agent, and officer, a Director or the person who mailed or delivered such notice. Unless attendance is for the express purpose of objecting to the hearing because of improper notice, the notice requirement shall be deemed satisfied if a respondent appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing, and if the hearing involves a matter where a sanction is imposed, the sanction, if any, imposed. Hearings must be conducted before an impartial decision maker which is a person or group of persons who have the authority to make a decision regarding the enforcement of the Declaration and rules and regulations, and who does not have a direct personal or financial interest in the outcome. A quorum of the Board shall serve as the impartial decision maker unless a quorum cannot be constituted of persons who do not have a direct personal or financial interest in the outcome of the hearing, in which case the Board shall appoint a hearing committee of one or more persons to act as the impartial decision maker.

NOTICE AND HEARING PROCEDURE; ENFORCEMENT

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C. ENFORCEMENT.

(i) GENERAL. The Cooperative shall have the authority to enforce the Declaration, Bylaws and the adopted rules and regulations of the Cooperative in accordance with the applicable enforcement provisions set forth in the Declaration, Bylaws, the Occupancy Agreement and the Colorado Common Interest Ownership Act.

(ii) NOTICE OF VIOLATION. In the event of an alleged violation of the Cooperative governing documents, or before the Board acts to impose a fine on a Member for an alleged violation, then notwithstanding subsection A above, written notice of such alleged violation shall be delivered personally or mailed by first-class mail or by certified mail return receipt requested to a Member or any occupant over the age of 18 (the "respondent") alleged to be in violation. The Member shall have not less than 30 days to resolve the violation without additional intervention by the Cooperative. The notice shall afford the person alleged to be in violation an opportunity for a hearing as provided in subsection B above before a sanction is imposed. A Member may request a hearing and opportunity to be heard before an impartial decision maker, by providing written request for a hearing to the Cooperative within 10 days of the initial notice date by mailing, faxing or hand delivering the request to the Cooperative's managing agent.

(iii) SANCTIONS. Upon completion of the hearing, or if a hearing request has not been submitted, and subject to the provisions of the Declaration, the Occupancy Agreement, the Bylaws and the Act (the "Governing Documents"), the Cooperative may then take any or all of the following actions: (i) levy a Carrying Charge as provided in the Governing Documents; (ii) suspend said Member's voting privileges to the extent provided in the Governing Documents; (iii) enter upon a Unit to make necessary repairs, or to perform maintenance which, according to the Governing Documents, is the responsibility of the Member; (iv) lien the membership interest in accordance with the Governing Documents; (v) suspend or condition the right of said Member to use any recreational facilities, if any; (vi) charge the Member for any maintenance performed upon his or her Unit; (vii) impose a fine in accordance with the Cooperative's adopted schedule of fines; or (viii) take any other action authorized by the Governing Documents or the Colorado Common Interest Ownership Act, including judicial remedies. Any suspension of voting rights shall be for a period of not more than thirty (30) days for any non-continuing infraction, but in the case of a continuing infraction (including nonpayment of any Carrying Charge after the same becomes delinquent) may be imposed for so long as the violation continues. The failure of the Board to enforce the Cooperative governing documents shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by the Cooperative governing documents shall be cumulative and none shall be exclusive.

NOTICE AND HEARING PROCEDURE; ENFORCEMENT

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D. PROCEDURE FOR DISPUTES NOT COVERED BY THE GOVERNING DOCUMENTS. In the event of dispute between the Cooperative and a Member, for which a method, policy or procedure to address such dispute is not provided by the Governing Documents or the Policies of the Cooperative, the Member is invited and encouraged to meet with the Manager, or if there is no Manager, the Board, to resolve the dispute informally and without the need for litigation. If the Member requests to meet with the Manager (or the Board if there is no Manager), the Cooperative shall make a reasonable effort to comply with the Member's request. Any statements made in compromise negotiations regarding the dispute between the Member and the Manager at a meeting held pursuant to this policy may not be used to prove liability for claims disputed as to validity or amount. Any settlement or compromise reached as a result of this Policy does not constitute a precedent for purposes of any other or subsequent dispute between the Cooperative and any Member. This policy does not require any specific form of alternative dispute resolution or require the parties to meet, and nothing in this policy requires the Cooperative to mediate or arbitrate disputes between Members.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

SCHEDULE OF FINES

(pursuant to C.R.S. § 38-33.3-209.5(1)(b)(iv))

A. If a violation of the Cooperative's Declaration, rules and regulations or other Cooperative governing documents remains unresolved within 30 days of the initial notice date (or such greater number of days specified in the notice) and following notice and opportunity for a hearing, or if a hearing request has not been submitted then the following fine schedule shall apply:

First Violation	\$50.00
Second and Subsequent Violations (same covenant or rule)	\$100.00

Written notice of the fine shall be sent via regular mail.

B. If a violation is continuing and uninterrupted and remains unresolved within 30 days after the notice of fine date, then each day of non-compliance with such violation constitutes a separate violation. If any Member is determined as having a continuous violation, then such Member may be subject to a daily fine of \$10.00 for each day the violation is not corrected, following notice and opportunity for a hearing.

C. The Board shall have the authority to waive all, or any portion of a fine if, in its sole discretion, such waiver is appropriate under the circumstances.

D. Any fine is due and payable on notice and is considered delinquent if not paid within 10 days of the due date. Unpaid fines can become a lien on the membership interest and shall be subject to applicable late charges.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

RECORDKEEPING, INSPECTION AND COPYING OF ASSOCIATION RECORDS (pursuant to C.R.S. § 38-33.3-209.5(1)(b)(v))

A. The Cooperative shall keep as permanent records of the Cooperative all of the records, documents, minutes, communications, statements, lists, reports, contracts and other items as required by Section 38-33.3-317, C.R.S. of the Colorado Common Interest Ownership Act.

B. The records that must be kept by the Cooperative shall be made available for examination and copying by a Member or the Member's authorized agent.

C. The Cooperative may charge a reasonable fee to cover the costs of labor and material, for copies of Cooperative records. The fee may not exceed the estimated cost of production and reproduction of the records.

D. As used in this policy, "available" means available for examination or copying during normal business hours, upon notice of at least 10 business days prior to inspection or production of documents, to the extent that the request describes with reasonable particularity the records sought and the purpose of the request, except that no statement of purpose is required for production of the Declaration, bylaws, articles of incorporation or rules and regulations of the Cooperative.

E. A membership list or any part thereof may not be obtained or used by any person, without the consent of the Board of Directors, for any purpose unrelated to a Member's membership interest, including any purpose prohibited by Section 38-33.3-317, C.R.S. of the Colorado Common Interest Ownership Act.

F. The Cooperative may withhold records from inspection and copying to the extent they are or concern any matter specified in Section 38-33.3-317(3), C.R.S. of the Colorado Common Interest Ownership Act, and shall withhold records from inspection and copying to the extent they are or concern any matter specified in Section 38-33.3-317(3.5), C.R.S. of the Colorado Common Interest Ownership Act.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

DISCLOSURES TO MEMBERS

A. The Cooperative shall provide to the Members and other persons, if and to the extent required by the Colorado Common Interest Ownership Act, all disclosures and other information pertaining to the Cooperative's operations, management and governance. Specifically, within 90 days after the election of successors to the Continuing Initial Directors (as defined in the Bylaws) pursuant to Section 6.3 of the Bylaws, and thereafter, the Cooperative shall provide to Members, at least once per year, a written notice stating the name of the Community; the name of the Cooperative; the name of the Cooperative's designated agent or management company, if any; the valid physical address and telephone number for both the Cooperative and the designated agent or management company, if any; and the initial date, reception number or book and page of the recording of the Declaration. If the Cooperative's address, managing agent or management company changes, the Cooperative shall provide all Members with an amended notice within 90 days after the change.

B. Within 90 days after the election of successors to the Continuing Initial Directors (as defined in the Bylaws) pursuant to Section 6.3 of the Bylaws, and within 90 days after the end of each fiscal year thereafter, the Cooperative shall disclose the following information to owners:

- (i) The date on which the Cooperative's fiscal year commences.
- (ii) The operating budget for the current fiscal year.
- (iii) A list, by unit type, of the Cooperative's current Carrying Charges, including regular and special Carrying Charges.
- (iv) The Cooperative's annual financial statements, including any amounts held in reserve, and its most recent available financial audit or review.
- (v) A list of all Cooperative insurance policies, including but not limited to, property, general liability, Cooperative director and professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed.
- (vi) The Cooperative's Bylaws, Articles, and rules and regulations.
- (vii) The minutes of the Board and member meetings for the fiscal year immediately preceding the current annual disclosure.
- (viii) The Cooperative's responsible governance policies as required by Colorado Common Interest Ownership Act.

MEANS AND METHODS OF DISCLOSURES

The Cooperative may accomplish the disclosures required above by one of the following means: Posting on an internet web page with accompanying notice of the web address via first class mail or e-mail; the maintenance of a literature table or binder at the Cooperative's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a Common Expense.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

INVESTMENT OF RESERVE FUNDS (pursuant to C.R.S. § 38-33.3-209.5(1)(b)(vi))

In order to minimize the amount of contributions, the Board shall invest the reserve funds of the Cooperative in a Reserve Account so as to generate interest revenue that will accrue to the Reserve Account balance. The Cooperative's overall objective with respect to any investment of reserve funds shall be the protection of the principal reserve funds invested and not maximization of returns on the investment. All investments shall be in the name of the Cooperative, shall not be commingled with the Cooperative's general operating account, and unless otherwise approved by a majority of the votes of the membership, shall be FDIC insured or otherwise guaranteed by the United States Government. Investments should take liquidity into consideration, such that funds are available to meet the repair and replacement schedule established by the periodic reserve study undertaken by the Cooperative. The Board will make investment decisions in good faith and in a manner that the Board members believe to be in the best interests of the Cooperative in accordance with the Colorado Cooperative Act. The Board may hire an investment counselor to assist in formulating an investment plan. The Board shall review the Reserve Account investment plan at least annually to ensure that the funds are receiving competitive yields, and shall be authorized to make prudent adjustments as needed.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

**PROCEDURES FOR THE ADOPTION AND AMENDMENT
TO POLICIES, PROCEDURES AND RULES
(pursuant to C.R.S. § 38-33.3-209.5(1)(b)(vii))**

A. The Declaration shall not be amended or modified except in accordance with the terms thereof and as may be modified or amended under the Colorado Common Interest Ownership Act.

B. The Articles of Incorporation and Bylaws of the Cooperative may be amended or modified as provided therein in accordance with the Colorado Cooperative Act. The Board may amend the Bylaws, Rules and Regulations and the policies of the Cooperative by a vote of a majority of the Board. Amendments to or modifications of the Bylaws, Rules and Regulations or policies shall be in writing and shall identify the specific provision(s) being amended or modified, and shall clearly set forth the amendment or modification. The Board shall inform Members of amendments of and modifications to the Bylaws, Rules and Regulations and policies by any reasonable means, including by a newsletter distributed to the Member

C. Any Member wishing to amend or modify the Rules and Regulations may seek to do so by submitting a written request to the Board no later than 5 days prior to any meeting of the Board which shall identify the specific provision(s) to be amended or modified, and which shall clearly set forth the proposed amendment(s) or modification(s) in writing.

D. Policies and procedures of the Cooperative may be made and amended by a vote of a majority of the Board of Directors. The Board shall inform Members of adopted policies, procedures, amendments of and modifications thereto by any reasonable means, including by a newsletter distributed to the Members.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

RESERVE STUDIES

(pursuant to C.R.S. § 38-33.3-209.5(1)(b)(ix))

By not later than the date of the third Annual Meeting of the Members, the Board of Directors shall cause an initial reserve study to be prepared. Thereafter, annually, the Board of Directors shall cause such reserve study to be updated.

The reserve study shall include:

- (a) A reserve component list, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the Cooperative, excluding contributions to the reserves for that reserve component. If one of these reserve components is not included in the reserve study, the study must explain the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current major replacement costs for each reserve component;
- (b) The date of the study and a disclosure as to whether the study meets the requirements of this Policy;
- (c) A disclosure of which of the following level of reserve study was performed:
 - (i) Level I: Full reserve study funding analysis and plan;
 - (ii) Level II: Update with visual site inspection; or
 - (iii) Level III: Update with no visual site inspection;
- (d) The Cooperative's reserve account balance;
- (e) The percentage of the fully funded balance to which the reserve account is funded;
- (f) Special assessments already implemented or planned;
- (g) Interest and inflation assumptions;
- (h) Current reserve account contribution rates for a full funding plan and a baseline funding plan;
- (i) A recommended reserve account contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the forty-year study period, a recommended reserve account contribution rate for a baseline funding plan to maintain the reserve account balance above zero throughout the forty-year study period without special assessments, and a reserve account contribution rate recommended by the reserve study professional;

(j) A projected reserve account balance for forty years based on each funding plan presented in the reserve study;

(k) A disclosure on whether the reserve study was prepared with the assistance of a reserve study professional, and whether the reserve study professional was independent; and

(l) A statement of the amount of any current deficit or surplus in reserve funding expressed on a dollars per unit basis. The amount is calculated by subtracting the Cooperative's reserve account balance as of the date of the study from the fully funded balance, and then multiplying the result by the fraction or percentage of the common expenses of the Cooperative allocable to each unit; except that if the fraction or percentage of the common expenses of the Cooperative allocable vary by unit, the Cooperative must calculate any current deficit or surplus in a manner that reflects the variation.

For the purposes of this policy, the term "reserve study professional" means an independent person who is suitably qualified by knowledge, skill, experience, training, or education to prepare a multifamily housing facility reserve study. For the purposes of this definition, "independent" means a person who is not an employee, officer, or director, and has no pecuniary interest in the Cooperative. The managing agent of the Cooperative shall be considered independent for this purpose.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

OWNER AND BOARD EDUCATION

(pursuant to C.R.S. § 38-33.3-209.7)

A. OWNER EDUCATION. The Cooperative or the Board shall provide, or cause to be provided, education to Members at no cost on at least an annual basis as to the general operations of the Cooperative and the rights and responsibilities of owners, the Cooperative, and its Board under Colorado law. The Board may provide or cause to be provided such information orally at the annual meeting of the Members or informally in a newsletter or other publication, or by such other means and in accordance with criteria otherwise determined by the Board.

B. BOARD MEMBER EDUCATION. The Board may authorize, and account for as a common expense, reimbursement of Board members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of owners' Cooperatives. The course content of such educational meetings and seminars shall be specific to Colorado, and shall make reference to applicable sections of the Colorado Common Interest Ownership Act.