

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION
POLICY AND PROCEDURE
ENFORCEMENT OF THE RESTRICTIVE COVENANTS, BY
LAWS, RULES AND REGULATIONS AND REGULATIONS AND
SCHEDULE OF FINES

The following policy and procedure is hereby adopted by the Board of Managers (“Board of Managers”) of WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, for (i) the enforcement of the Association’s Restrictive Covenants, Bylaws, Rules and Regulations, collectively referred to as the “Governing Documents,” and (ii) a Schedule of Fines. The Board of Managers affirms and ratifies the enforcement policies, previously adopted.

Alleged Violations: Violations shall be reviewed upon complaint to the Board of Managers or Association Manager, by the Association Manager, or by a duly appointed Representative. An informal, fact finding process to determine if there is a violation and who is responsible for said violation shall take place with the Association Manager and Representative.

Notice of Alleged Violation: Notice of an alleged Violation of any provision of the Governing Documents shall be provided to the applicable Owner as soon as is reasonably practicable. The Board of Managers may also, at its option, provide a copy of such Notice to any non-Owner violator (Related User). The Notice shall describe the nature of the violation and shall further state that the Board of Managers may seek to protect its rights as they are specified in the Governing Documents.

Service of Notices: Service of all notices required or permitted to be given hereunder shall be made as follows:

If to an Owner and/or Related User: By personal delivery to the Owner and/or Related User, or by Certified U.S. Mail, postage prepaid with return receipt requested, addressed to the last registered address of the Owner and/or Related User as contained in the Association’s records.

If to the Association: By personal delivery to the Association’s manager, or by U.S. Mail, postage prepaid, addressed to the

Association in care of its registered agent and office, as maintained with the Colorado Secretary of State or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed given on the date of delivery, and any mailed notice shall be deemed given on the date of mailing.

Request for Hearing: If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, the Owner must appear at the next regularly scheduled Board of Managers meeting or at a special meeting scheduled for this purpose no later than sixty (60) days after Owner's receipt of such notice. Request for a special meeting shall be made in writing, within ten (10) days from receipt of the Notice of Alleged Violation. The request for hearing shall describe the grounds and basis for challenging the alleged violation. If hearing is not requested within the 10 day period, the Board of Managers may assess a reasonable fine within the guidelines contained in the Policy and Procedure. Unless otherwise provided in the Association's governing documents, the fine is due and payable immediately upon receipt of notice of the fine.

Board of Managers to Conduct Hearing: The Board of Managers shall hear and decide cases set for hearing pursuant to this Policy and Procedure. The Board of Managers may appoint an officer to act as the Presiding Officer at any of the hearings.

Conflicts: Any Board of Managers Member who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Board of Managers prior to the hearing, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board of Managers Member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board of Managers Member(s) results in an even number of remaining Board of Managers Members eligible to hear a case, the Presiding Officer may appoint an Association Owner, in good standing, to serve as a voting Member of the hearing Board.

Hearing: The Board of Managers shall inform the Owner of the scheduled time, place and date of the hearing, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board of Managers by reading the Notice of Alleged Violation. Each party may make opening statements, may present evidence and testimony, may present witnesses, and may make closing statements. Neither the complaining parties nor the Owner must be in attendance at the hearing. However, the decision of the Board of Managers at each hearing shall be based on the matters set forth in the Notice of Alleged Violation, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Managers, all hearings shall be open to attendance by all Members of the Association.

Decision: After all testimony and other evidence have been presented to the Board of Managers at a hearing, the Board of Managers shall render its written findings and decision, and impose a reasonable fine, if applicable, within ten (10) days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the Members of the hearing Board present at the hearing. The Board of Managers may also issue and present for recording, with the County Clerk and Recorder, a Notice of Finding of Violation. Upon satisfactory compliance with the Association's governing documents, the Notice of Finding of Violation may be released by the Association issuing and recording a Release of Notice of Finding of Violation.

Appeal: An Owner may appeal a decision or action of the Board of Managers by giving written notice to the Board of Managers, within ten (10) days after such decision. The Board of Managers will hear the appeal and decide whether the decision made previously should be affirmed, reversed or modified.

Fine Schedule: Unless otherwise provided, any violation of the Governing Documents will subject the Owner to a reasonable fine imposed by the Association as follows:

Notice of Violation: Written warning letter or posting of notice advising Owner and/or Related User of said number of days prescribed in the warning letter or posting to correct the violation.

In the event of a continuing violation, a fine in an amount established by the Board of Managers may be levied and will continue until the violation is cured, or for a period of thirty (30) days, whichever occurs first. After thirty days, the violation is considered a repeat violation and may be subject to an increased fine.

Repeat violations occurring within the same calendar year of the original violation will be treated as such (without the Association giving another warning) and may be subject to an increased fine. Repeat violations occurring after 12 months will be considered a first time offense.

Notwithstanding any provisions of this fine schedule or Policies and Procedures, the Association may use any legal means available at any time to enforce the terms of the Governing Documents.

- These fines can be modified by a vote of the Board of Managers.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of the WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted and ratified by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on March 25, 2014, and in witness thereof, the undersigned has subscribed his/her name.

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, A
Colorado non-profit corporation

By: *Don Egan*
Secretary

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION

POLICY AND PROCEDURE CONDUCT OF MEETINGS

The following policy and procedure has been adopted by the Board of Managers (“Board of Managers”) of WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, for the conduct of meetings. The Board of Managers affirms and ratifies the conduct of meetings policy stated in the Bylaws, previously adopted.

OWNERS MEETINGS

Meetings of the Owners shall be held at such times and locations as may be provided in the Association’s Restrictive Covenants, Bylaws, Articles of Incorporation and Rules and Regulations (“Governing Documents”) or by applicable Colorado statutes, but at least once annually.

Only Owners in good standing are eligible to vote. For purposes of this policy, “good standing,” shall mean all of the following: (i) Ownership of a Unit; (ii) no outstanding amounts due to the Association; (iii) no outstanding violation of any provision of any Governing Document.

Notice of Owners meeting shall be distributed as may be provided in the Association’s Governing Documents or by applicable Colorado statutes. The Notice to Owners may be hand delivered, distributed via regular mail or posted on the Associations website.

The Association’s Board of Managers shall determine the agenda for the meeting, subject to any requirements in the Association’s Governing Documents, and distribute such agenda with notice of the meeting.

The President of the Association’s Board of Managers or such other person as may be designated by the President, shall preside over all meetings.

Items of business and/or discussion must be presented by motion and such motion seconded, prior to discussion.

Any person not in compliance with this policy of conduct, may be ejected from the meeting:

- No one may speak until called upon by the Chairperson to do so;
- Only one person may speak at a time;
- Personal attacks or abusive language will not be tolerated; and
- Only the individual presiding over the meeting may interrupt a speaker and only for purposes of limiting the time of the discussion or due to personal attacks or abusive language.

Voting by Owners to fill positions on the Board of Managers or any other matter put before the Ownership for a vote may be by any means acceptable, or by secret ballot if requested.

Unless otherwise provided by the Governing Documents or by the applicable Colorado statutes, the affirmative vote required for the election of Owners to the Board of Managers shall be for the candidates receiving the largest number of votes. The affirmative vote required for the passage of any other matter put before the Ownership for a vote shall be a majority of those present (as defined by the Bylaws) and voting at said meeting.

If requested by twenty percent of Owners present at a meeting in person or represented by proxy, secret ballot must be used to vote on any matter which Owners are entitled to vote, including uncontested Board of Managers elections. Contested Board of Managers elections shall be by secret ballot.

BOARD OF MANAGERS MEETINGS

Meetings of the Board of Managers shall be held at such times and locations as may be provided in the Association's Restrictive Covenants, Bylaws, Articles of Incorporation and Rules and Regulations ("Governing Documents") or by applicable Colorado statutes.

Notice of Board of Managers Meetings shall be distributed as may be provided in the Governing Documents or by applicable Colorado statutes.

The Board of Managers Members or Managing Agent may create agendas for Board of Managers meetings, but are not required to do so. To the extent that an agenda is created for a Board of Managers meeting, it shall be provided to Owners requesting a copy of same.

Board of Managers meetings shall include a "Home Owners Forum" conducted as follows:

- No one may speak until called upon by the Chairperson to do so;
- Only one person may speak at a time;
- Each person shall have three (3) minutes to speak;
- Personal attacks or abusive language will not be tolerated; and
- Only the Chairperson may interrupt a speaker and only for purposes of limiting the time of the discussion or due to personal attacks or abusive language.

The President of the Board of Managers or such other person as may be designated by the President, shall preside over the Board of Managers meetings.

For each matter upon which the Board of Managers anticipates taking action, a motion and second, must be made stating the proposed action followed by discussion. Unit Owners who are not Board of Managers Members may not participate in such discussion unless requested by a majority vote of the Board of Managers to do so.

At the conclusion of discussion, but prior to vote on the motion by the Board of Managers Members, any Owner may request to be heard on the matter discussed. In order to maintain a timely meeting and discussion, a time limit of three minutes will be given to each speaker.

Board of Managers meetings shall be open to attendance by all Members of the Association or their representatives.

The Board of Managers may hold an executive session and restrict attendance to only Board of Managers Members and such other persons requested by the Board of Managers during a regular or special meeting for discussion of the following:

- Matters pertaining to the managing agent's contract or the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

- Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- Investigative proceedings concerning possible or actual criminal misconduct;
- Any matter subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
- Review of or discussion relating to any written or oral communication from legal counsel.

Prior to holding an executive session, the President or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above.

No Rule or Regulation shall be adopted during an executive session. A Rule or Regulation may be validly adopted only during a regular or special meeting or after the Board of Managers returns from its executive session.

The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of the WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted and ratified by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on March 25, 2014, and in witness thereof, the undersigned has subscribed his/her name.

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, A
Colorado non-profit corporation

By: *Vallejo*
Secretary

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION

POLICY AND PROCEDURE COLLECTION

The following policy and procedure has been adopted by the Board of Managers (“Board of Managers”) of WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, for collection of unpaid assessments. The Board of Managers affirms and ratifies the collection policy previously adopted.

Assessments are due and payable on the first of each month.

The procedures for late fees and interest are as follows:

Interest shall accrue at 15% per annum on any account that is more than 30 days delinquent.

A demand letter will be sent to any owner advising that a lien will be placed on the property, if that owner is more than 60 days delinquent.

Any account more than 90 days delinquent will have a lien placed on the property and the First Mortgagee notified.

Any account more than 120 days delinquent will be turned over to an attorney for collection and/or foreclosure. The Board of Managers may also elect to proceed in small claims court without an attorney.

After any charge due the Association, becomes 90 days past due, the Board of Managers may cause, a “late notice” to be sent to the Owner who is delinquent in payment, which includes the total amount due, with an accounting of how the total was determined.

The notice shall also state whether the Owner has an opportunity to enter into a one-time payment plan option of at least six (6) months of equal installments, pursuant to Colorado statutes and instructions for contacting the Association to enter into such a payment plan. The Association has no obligation to negotiate a payment plan with any Owner who has previously entered into a payment plan.

In addition to any and all charges imposed under the Restrictive Covenants, the Bylaws, the Rules and Regulations or the Articles of Incorporation (collectively, the "Governing Documents") or pursuant to Colorado statutes, or this Policy, a fee equivalent to the actual amount charged by the Association's Bank, or other amount deemed appropriate by the Board of Managers shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided herein and by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Governing Documents or this Policy.

As an additional expense permitted under the Restrictive Covenants and Colorado statutes, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner including legal fees arisen from litigation initiated by an Owner against the Association. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

In the event of litigation between the Association and an Owner in which the Owner prevails, the Association will not seek recovery of attorney fees or collection costs from the Owner.

Regardless of inscriptions or notations on the front of the check, all payments received on the account of any Owner shall be applied in the following order: 1) any and all attorney fees, legal fees and costs incurred for collection of assessments or for Owner's failure to comply with provisions of the Association's Governing Documents, including lien fees; 2) fines, late charges and interest; 3) returned check charges; 4) Past-due Special Assessments (if any); 5) Currently due Special Assessments (if any); 6) Past-due installments of Annual Assessments; 7) Current installment of annual Assessments. Checks containing a restrictive endorsement on the back will be returned to the Owner and the amount tendered shall be considered unpaid.

The Board of Managers may seek the appointment of a receiver if an Owner becomes delinquent in the payment of installment of Annual Assessments. A receiver is a disinterested person, appointed by the court who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent the waste and deterioration of the Unit.

The Board of Managers may choose to foreclose on the Association's lien in lieu of or in addition to suing an Owner in the courts for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where neither a money judgment lawsuit has been or is likely to be unsuccessful in obtaining payment, or other circumstances favoring such action.

In addition to the remedies provided herein, the Association may accelerate and declare immediately due and payable, all unpaid installments of the assessment(s) payable for the balance of the fiscal year during which such default occurred, and/or suspend the voting rights and the Owner's rights to use the Association's amenities for any period during which assessments remain unpaid.

The Board of Managers may, at its sole discretion vote to waive any fines. Such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Board of Managers granting the relief and the conditions of the relief.

Nothing in this policy shall require the Board of Managers to take specific actions at a specific time but the Board of Managers shall not take any action in less than the time stated herein for a particular action. The Board of Managers has the option and right to continue to evaluate each delinquency on a case by case basis.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of the WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted and ratified by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on March 25, 2014, and in witness thereof, the undersigned has subscribed his/her name.

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, A
Colorado non-profit corporation

By: *Dale Eggen*
Secretary

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION

POLICY AND PROCEDURE ADOPTON AND AMENDMENT OF POLICIES, PROCEDURES AND RULES

The following policy and procedure has been adopted by the Board of Managers (“Board of Managers”) of WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, for adoption and amendment of policies, procedures and rules. The Board of Managers affirms and ratifies the policies stated in the Restrictive Covenants, Rules and Regulations, and the Bylaws.

The Board of Managers shall consider the following criteria when adopting or amending a policy, procedure or rule:

- Reasonableness and necessity;
- Impact does not create separate groups of Owners;
- Clear and unambiguous;
- Reasonably relates to the preservation, protection and enhancement of property values; and
- Consistent with (i) the Association’s governing documents; (ii) applicable federal and state statutes and case law; and (iii) local laws and ordinances;

Adoption of the amendment of any policy, procedure, or rule and regulation requires an affirmative vote of a majority of Members of the Board of Managers who are in attendance at the meeting duly called for this purpose. Notice may be waived in the event of an emergency, at the Board of Managers’ discretion.

Any policy, procedure, or rule and regulation, and any amendment shall be effective thirty (30) days after delivery of notice to each Owner and posting on the Association’s website or publication in the Association’s newsletter of its adoption. Notice may be given by delivery of a copy of the Minutes of said meeting, where the policy, procedure or rule and regulation, including any amendment was adopted.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of the WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted and ratified by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on March 25, 2014, and in witness thereof, the undersigned has subscribed his/her name.

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, A
Colorado non-profit corporation

By: *Val Egal.*
Secretary

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION

POLICY AND PROCEDURE INSPECTION AND COPYING OF ASSOCIATION RECORDS

The following policy and procedure has been adopted by the Board of Managers (“Board of Managers”) of WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, for the inspection and copying of Association records. The Board of Managers affirms and ratifies the policies stated in the Restrictive Covenants, Rules and Regulations and the Bylaws.

Inspection of Association Books and Records by Owners (“Owners”):

An Owner or his/her authorized agent is entitled to inspect and copy, at the Owner’s expense and during regular business hours at a reasonable location specified by the Association, any of the records or papers of the Association (except as specifically limited or excluded) if the Owner gives the Association written demand at least ten (10) business days before the date on which the Owner wishes to inspect and copy such records and:

- The demand is made in good faith and for a proper purpose;
- The Owner describes with reasonable particularity the purpose and the records or papers the Owner desires to inspect; and
- The records or papers are directly connected with the described purpose.

“Proper Purpose” means a purpose reasonably related to the demanding Owner’s interest as an Owner of the Association.

It is within the reasonable discretion of the Board of Managers to determine whether an Owner’s demand to inspect and copy is made in good faith and for a proper purpose.

Proper Purpose/Limitation: Without the consent of the Board of Managers, an Ownership list or any part thereof may not be obtained or used by any person for:

- Any purpose unrelated to an Owner's interest as an Owner; or
- To solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association; or
- Any commercial purpose; or
- To be sold to or purchased by any person.

Exclusions: The following records and documents may be kept confidential by the Association:

- **Attorney-Client Confidential Documents:** In order to protect the attorney/client privilege existent between the Association and its attorneys, all attorney created documents, including, but without limitation, memos, opinion letters, and draft documents prepared at the behest of the Board of Managers, are not available for the inspection or copying by any Owner or his/her authorized agent, without the consent and authority of the Board of Managers and upon advice of the legal counsel involved.
- **Personnel Confidential Documents:** Documents pertaining to employees of the Association of involving employment, promotion, discipline, or dismissal of any officers, agent or employee.
- **Applicable Law:** Any documents which are confidential under constitutional, statutory or judicially imposed requirements.
- **Individual Privacy:** Any documents the disclosure of which would constitute an unwarranted invasion of individual privacy are confidential.

Copy and other Document Fees: The Association will impose a reasonable charge, covering the costs for copies of any documents the Association provides to an Owner. The charge may not exceed the actual cost for copies as incurred by the Association, said cost to be determined from time to time by the Association. If an Owner requests copies of

Association documents which are not in the possession of the Association, the Owner is responsible for whatever fees and cost are imposed by the entity (CPA, attorney, etc.) holding such records for copy and related costs, including but not limited to labor, materials and postage.

If an Owner requests a copy of an Association document which must be retrieved from archives, compiled, generated, certified or authenticated in any way, the Owner is responsible for all fees and costs incurred in the retrieval, compilation, generation, certification or authentication and reproduction (copying) of the requested document(s), including but not limited to labor, materials and postage.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of the WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted and ratified by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on March 25, 2014, and in witness thereof, the undersigned has subscribed his/her name.

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, A
Colorado non-profit corporation

By: Walt Engel
Secretary

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION

BOARD OF MANAGERS POLICY AND PROCEDURE REGARDING CONFLICTS OF INTEREST

The following resolution has been adopted by the Board of Managers (“Board of Managers”) of WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, at a meeting of the Board of Managers to establish a policy and procedure for handling conflicts of interest involving Board of Managers Members. The Board of Managers affirms and ratifies the policies stated in the Bylaws.

Circumstances Under Which a Conflict Exists: A conflict of interest exists when a Board of Managers Member, or a party related to a Board of Managers Member, as family or business interest, is involved with, or has a financial interest in a contract or other financial relationship with the Association.

Requirements Upon All Members of the Board of Managers:

All Board of Managers Members shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to the Association and its Owners. All Board of Managers Members shall comply with all lawful provisions of the Association’s Governing Documents.


Any Board of Managers Member with a conflict of interest must disclose that conflict in an open meeting; however, after the conflict is disclosed, the Board of Managers Member is permitted to vote on the issue.

Any breach or suspected breach of this requirement by a Board of Managers Member shall be brought to the attention of the remaining Board of Managers Members for appropriate action.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of the WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted and ratified by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on March 25, 2014, and in witness thereof, the undersigned has subscribed his/her name.

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, A
Colorado non-profit corporation

By: 
Secretary

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION

POLICY AND PROCEDURE INVESTMENT OF RESERVE FUNDS

The following policy and procedure has been adopted by the Board of Managers (“Board of Managers”) of WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, for investment of the Association’s reserve funds.

Purpose: The purpose of this policy is to institute proper guidelines for the ongoing management of the Association’s investment of its reserve funds; should the Board of Managers decide that reserve funds are needed for the Association.

Investment Objectives: The Association shall establish a reserve fund. The purpose of the reserve fund is for maintenance, repair, and replacement of those items for which the Association is responsible and that must be periodically maintained, repaired, or replaced at the Board of Managers’ discretion. Reserve funds are to be invested in a manner that assures maximum safety and appropriate liquidity and, secondarily, maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:

- Preservation and safety of principal;
- Liquidity to meet expected and unexpected expenditures; and
- Maximization of yield.

Investment Responsibilities: The Board of Managers has sole authority to approve and amend, alter or otherwise make changes to this Policy. Any modifications to this policy shall be in writing and approved by the Board of Managers.

The Board of Managers shall have direct control with regard to opening appropriate bank accounts and establishing safekeeping accounts or other arrangements for the custody of securities and execute such documents as may be necessary. The Board of Managers may employ the service of a qualified investment advisor to direct a portion or all of the investment activities of the Association consistent with guidelines set forth in this investment policy.

The Board of Managers will monitor ongoing investment activities to ensure proper liquidity is being provided and that the investment strategy is consistent with the Association's objectives. The Board of Managers shall review investment performance no less than quarterly.

Investment Guidelines:

Eligible Investments: This portfolio will be limited to the following investments:

1. Certificates of Deposit (CDs);
2. Money market deposit accounts
3. Money market funds; and
4. U.S. treasuries and U.S. treasury zero coupons;
5. Savings accounts

Credit Quality Restrictions: All investments shall be AAA-rated or U.S. Treasury securities

Maturity Limits:

1. No individual investment may exceed 2 years in maturity; and
2. The weighted average maturity of the portfolio will not exceed 2 years. The company must structure its investment portfolio in order to meet anticipated cash requirements.

Strategy: Investment shall be structured so they mature in successive years allowing the Association to minimize the interest rate risk.

Custodian: Investments will be held in custodial accounts with approved banks or financial institutions federally insured either through FDIC or the U.S. Government, with no more than \$200,000.00 held in any one bank.

Procedures:

A quarterly report of earnings shall be prepared by management, financial advisor, or the treasurer and presented at a Board of Managers meeting;

In addition to any requirements provided by the Association's Governing Documents, the Association shall obtain coverage by fidelity insurance to protect the Association from loss due to theft for any person with access to its investments.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of the WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted and ratified by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on March 25, 2014, and in witness thereof, the undersigned has subscribed his/her name.

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, A
Colorado non-profit corporation

By: 
Secretary

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION

BOARD OF MANAGERS POLICY AND PROCEDURE REGARDING DISPUTE RESOLUTION

The following resolution has been adopted by the Board of Managers (“Board of Managers”) of WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION (“Association”) pursuant to Colorado statutes, at a meeting of the Board of Managers to establish a policy and procedure for handling disputes involving the Association and its Owners. The Board of Managers affirms and ratifies the policies stated in the Bylaws.

Circumstances Under Which a Dispute Exists: A dispute exists when an Owner, has a conflict with the Association, or another Owner, which has not been resolved through amicable means, including reasonable notice and an opportunity to be heard before the Board of Managers.

Requirements Upon All Members of the Association:

If a dispute arises relating to an issue raised by an Owner of this Association, and the matter is not resolved amicably, the Owner may, but shall not be required to, proceed in good faith to submit the matter to mediation as provided herein. The Owner shall give written notice by certified mail to the Association that he desires to engage in the mediation process. The Association shall respond within 30 days of receipt of said notice with the names of three persons they nominate as the mediator. The Owner(s) shall have 15 days thereafter to nominate in writing to the Association the names of three mediators he prefers, or agree in writing to one of the mediators nominated by the Association. Failure to respond shall mean that the Association may select one of their nominees as the mediator. Once nominations are made, the nominees shall select one of their own to serve as mediator within 7 days and the mediator selected shall so advise the parties in writing. Thereafter, the chosen mediator shall advise the parties of a schedule of closed mediation sessions and cost estimate therefore, which shall be borne equally by the parties and payable upon receipt of billing. Unless otherwise agreed in writing, the mediation shall terminate 30 days after the first scheduled mediation meeting of the parties if the entire dispute is not resolved. The parties may agree that the mediation process will be binding, and if so agreed, their resolution shall be in writing.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of the WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted and ratified by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on March 25, 2014, and in witness thereof, the undersigned has subscribed his/her name.

WOODRIDGE TOWNHOMES HOMEOWNERS ASSOCIATION, A
Colorado non-profit corporation

By: Val Engel
Secretary