

Brookside Homeowners Association

Adoption and Amendment of Policies, Procedures and Rules Policy

BE IT RESOLVED, that the following policy shall govern the adoption and amendment of policies, procedures, and rules.

1. Scope:

To define procedures to be followed when policies, procedures and rules are adopted.

2. Specifics:

The Board of Directors will adopt policies, resolutions, procedures, rules, regulations or guidelines to further clarify the governing documents of the Association.

The Board of Directors will adopt rules and regulations to better the community. In many circumstances, these rules and regulations will be formulated based on the needs expressed by owners

Policies, resolutions, procedures, rules, regulations or guidelines will be discussed at Board of Directors meetings, which are open to owners to attend.

Discussion by owners in regards to policies, resolutions, procedures, rules, regulations or guidelines will be held in accordance with the Conduct of Meeting policy.

Once a new policy, resolution, procedure, rule, regulation or guideline is adopted it will be posted online at the managing agent's website at www.bravandco.com and mailed to each owner via US Postal Service.

The management company will maintain a book containing the policies, resolutions, procedures, rules, regulations or guidelines at its physical office address and is subject to review as listed in the records retention and inspection policy.

- 3. Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.
- 4. Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
- 5. Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
- 6. Amendment:** The Board of Directors may amend this procedure from time to time.

President's Certification: The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Brookside Homeowners Association

Holly L. Neal
President

Effective Date: 2-19-08

BROOKSIDE HOMEOWNERS ASSOCIATION
COLLECTION OF UNPAID ASSESSMENTS

Policy: It is vital to the effective administration of the Association that assessments and other charges be paid by Members in a timely manner. While a certain amount of bad debt is expected in any business, the Association must collect certain unpaid assessments in order to continue to serve the community well and efficiently. To perform these duties the Board needs to remain flexible in its approach in order to account for the unique facts and circumstances surrounding each delinquent payment.

Procedure:

Assessment Due Dates. Assessments levied pursuant to the annual budget are due annually on the first (1st) day of the month of the Association's fiscal year (JAN). Special and other types of assessments not levied pursuant to the annual budget are due as and when determined by the Board under the provisions of the Amended Declaration.

"Past Due" Assessments. Assessments of all kinds are "past due" if they are not paid within 30 days of the due date.

Fees and Interest. Suspension of Voting Rights. A late fee will be charged against all past due assessments to bear interest at the rate of eighteen percent (18%) per annum. The fees and interest charged will become due the date the assessment became due actual). These fees and interest shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Amended Declaration. Once assessments become past due, the Association will suspend the voting rights of the delinquent Owner for 60 days.

Non-Sufficient Funds. If an Owner should pay the Association by check and such check is returned because of Owner's insufficient funds, the Owner shall, in addition to the amount owed and any late charges and interest, owe the Association a contractual charge of all bank fees at the current rate to process the NSF and cure the default together with all other and further amounts due the Association under the provisions of Colorado law, including, without limitation **C.R.S. § 13-21-109.**

Payment Plans. Except as provided here, the Association will make a good faith effort to coordinate with an Owner who has unpaid assessments to set up a payment plan with the following minimum terms: repayment of all unpaid assessments, late fees, interest, and other charges, costs, and expenses (including attorney fees) that may be included with any assessment as provided in **C.R.S. §38-33.3-316.3**, over a period of no fewer than six (6) months in equal monthly installments. During the term of any repayment plan entered into under this policy, the Owner shall also keep current on all assessments that may come due. The Association has no obligation to coordinate a payment plan with an Owner that does not occupy their unit and

acquired their unit either through default in a security interest encumbering the Unit, or foreclosure of the Association's assessment liens. Additionally, the Association has no obligation to coordinate a payment plan with an Owner with whom it has previously entered into a payment plan under this policy, regardless of the outcome.

Application of Payments on Delinquent Accounts. Payments made against balances owed on delinquent accounts shall be applied first to late charges, interest, returned check fees, and other costs and expenses that may become a charge upon the land under the terms of the Amended Declaration, and then to unpaid assessments beginning with the amounts left unpaid the longest and continuing in chronological order.

Available Legal Remedies. Subject to the provisions of this policy, the Association, acting through the Board, may initiate collection proceedings of any kind at any time after any assessment payment becomes past due, as defined above. The Board, in its sole discretion in light of the relevant facts and circumstances may choose to employ any one or more of the following means in seeking collection, with or without notice, at any time after a payment is past due. In addition to the remedies described in this policy, the Board may pursue collection of unpaid assessments by any means authorized under Colorado law, as the same may exist from time to time.

i. Acceleration. If any assessment payment is more than 60 days past due, all of the assessment payments due during the remainder of the current assessment year will become immediately due and owing. The entire amount so accelerated will be a charge upon the land of the delinquent Owner, as provided in the Amended Declaration.

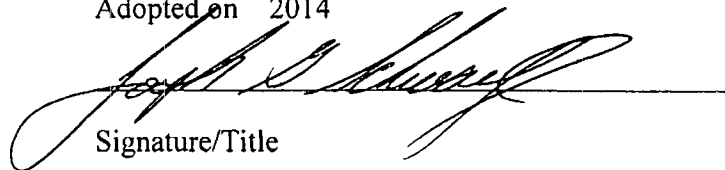
ii. Collection Agencies/Lawyers. Once an assessment has become 90 days past due, the Association will refer the past due assessments to a collection agency or a lawyer for collection. The delinquent Owner will be liable for any fees or other expenses associated with referring the matter for collection. Such expenses will be added to all delinquent amounts and will become a charge upon the land, as provided in the Amended Declaration. *At least 30 days prior to referring the matter to a collection agency or lawyer, however, the Association shall first provide the involved Owner with a notice of delinquency, describing the amount due, indicating whether the owner is eligible for a payment plan under this policy and providing contact information for purposes of setting up such a plan, stating the name of the person from whom the Owner may obtain a copy of the ledger or other accounting statement indicating the amount due, and providing that a failure to act in response to the notice within 30 days may result in referral of the matter to a collections agency or a lawyer for collection, foreclosure of the Association's assessment lien or the pursuit of other remedies provided by law.*

iii. Lien. Once an assessment has become 120 days past due, the Association will give formal legal notice of its lien against the delinquent Owner's

property. Any costs or expenses associated with this process, including attorneys' fees, shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Amended Declaration.

iv. **Foreclosure.** As a last resort, the Association may foreclose its assessment lien upon the property of a delinquent Owner to satisfy the past due assessments, fees, costs, and other expenses charged against the land. Once the Owner has a balance of unpaid assessments equal to or exceeding 6 months of assessments computed under the Association's periodic budgets, and the Board, by vote on the record, determines to pursue foreclosure on an individual basis, the Association may begin foreclosure proceedings. The costs and expenses of so doing, including attorneys' fees, shall be charged against the proceeds of any foreclosure sale, along with the delinquent assessments, costs, fees, and other expenses as provided by the Amended Declaration.

Adopted on 2014

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to read "Joseph J. [unclear]".

Signature/Title

Brookside Homeowners Association

Conflict of Interest Policy and Procedure

BE IT RESOLVED, the Association hereby adopts the following procedures to be followed for conflict of interest by a director.

1. Scope:

To adopt a procedure and policy outlining procedures to be followed for conflict of interest by a Director.

2. Specifics:

A conflict of interest shall be defined as:

- “Conflicting interest transaction” means a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.
- “Director” means a member of the Associations Board of Directors
- “Party related to a Director” means a spouse, a descendant, and ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to the Director has a beneficial interest, or an entity in which a partly related to a Director is a director or has a financial interest.

A Director that falls under the category of a potential conflict of interest must disclose such conflict if possible prior to any discussion is begun on the subject that a potential conflict does or may exist. The facts about the conflicting interest transaction should be fully disclosed to the disinterested Board members. The director must recuse himself or herself from the discussion in its entirety as a director and may not vote on the subject.

A director who has recused him or herself may participate as a member of the meeting (not as a director) if they have moved away from the directors and are providing additional information as other members of the meeting have the right to provide.

Whenever possible, conflicts of interest should be avoided. This will allow the directors to provide fiduciary duty without the semblance of impropriety.

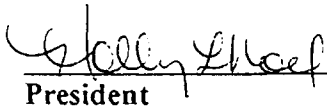
At times, Directors may receive gifts from contractors or vendors. Whenever possible, these gifts should be refused or shared with the community to remove any semblance of impropriety.

The Association should make no loans to its Directors or officers.

3. **Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.
4. **Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
5. **Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
6. **Amendment:** The Board of Directors may amend this procedure from time to time.

President's Certification: The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Brookside Homeowners Association



President

Effective Date: 2-19-08

Brookside Homeowners Association

Meeting Policy and Procedure

BE IT RESOLVED, that the involvement and participation of members in the leadership of the Association is valuable and meetings will be conducted in accordance with the following procedure.

1. **Scope:**

To adopt a procedure and policy to be followed when giving notice of meetings and conducting meetings for the good off the community.

2. **Specifics:**

Meetings

A. **Board Meetings**

Board meetings are always open to the public and shall be held on at least a quarterly basis. The agenda for the Board meetings will be posted on the managing agents website and if possible in a public place in the Association at least two days in advance.

These meeting dates/times may change to accommodate Board and Manager schedules and emergencies.

Board members will retire to Executive Session when discussing matters such as attorney/client privilege, employee issues or matters concerning owner disputes. Separate minutes will be kept for Executive Sessions.

The general membership will have the opportunity to speak at the end of the Board meeting for a period of time not to exceed 30 minutes. At the discretion of the Board, the floor may be opened for comment prior to voting on the various agenda items.

B. **Annual Meeting**

Annual/budget ratification meetings will be held in August of each year.

Notification will be made in accordance with the "Meeting Notice" section of this policy

The mailing prior to the meeting will contain at a minimum:

A meeting notice and general proxy.

The proposed agenda for the meeting

The proposed budget for the coming fiscal year

A copy of the Associations income and expenses for the year to date

A copy of the Associations balance sheet for the month ending immediately prior to the notice.

C. Special Meeting

Special meetings may be called at any time by the President or by a majority of the Board or upon written request of a member, having twenty percent (20%) of all the votes of the membership.

Notification will be made in accordance with the "Meeting Notice" section of this policy

The mailing prior to the meeting will contain at a minimum:

A meeting notice and general proxy.

The proposed agenda for the meeting

Meeting Notices

Written notice of annual and special meetings shall be sent via regular U.S. Mail to members at least ten days but not more than 50 days prior to the meeting date.

If possible, notices will be posted within the subdivision at least one week prior to annual and special meetings.

Notices of annual and special meetings will also be posted on the managing agent's website

Voting and Proxies

Only the owner of record – or the owner's representative by proxy- may vote. One vote per lot is allowed.

At any meeting of the members, each member may vote by proxy if desired.

All proxies must be in writing and filed with the secretary.

Every proxy must be revocable and terminates eleven months after its date, unless specified otherwise.

Voting rights will be suspended for any Owner who is or has been in violation of the CC&R's in the previous thirty (30) days or who is delinquent in paying fines or assessment fees.

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4. **Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
5. **Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

6. Amendment: The Board of Directors may amend this procedure from time to time.

President's Certification: The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Brookside Homeowners Association

C. Kelly Neal
President

Effective Date: 2-19-08

Brookside Homeowners Association of Grand Junction, Inc

Policy and Procedure

Enforcement of Covenants and Rules

The following procedures shall apply to a violation of the Declaration of Covenants, Conditions and Restrictions (CC&R's), Bylaws, or the Policies and Procedures of the Brookside Homeowners Association of Grand Junction, Inc (the governing documents)

a. Information Resolution

Any member or agent of the Association may directly request that a member or resident cease or correct any act or omission which appears to be in violation of the governing documents. It is the preference of the Board that member of the Association attempt informal resolution prior to seeking formal resolution.

b. Formal Resolution

The Association adopts the following formal procedures to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations

Complaints regarding alleged violations may be reported by an owner or resident within the community in writing to the Board of Directors or the management company should they be under contract.

2. First Violation/Courtesy Letter of Non-Compliance

A complaint must clearly indicate the specific nature, the date, time and physical address of the alleged violation, along with the name of the person making the complaint (though their name will not be revealed). A Courtesy Letter will be sent by US Mail by the management company to the owner of the offending property (or designated person/company). If the alleged violator does not come into compliance within five (5) days of the date of the Courtesy Letter, it will be considered a Second Violation.

3. Second Violation/Second Letter of Non-Compliance

If an alleged violator has not come into compliance after receiving a Courtesy Letter, a second letter shall then be sent to the alleged violator. If a violation is found to still exist, a fine will be imposed pursuant to the schedule of violations adopted by the Board of Directors. The letter shall further state that the Homeowner or (designated person/company) is entitled to a hearing on the merits of the matter provided that such hearing is requested by the alleged violator in writing within seven (7) days of the date of

the second letter of non-compliance. Owner must still correct the violation prior to the hearing.

4. Third Violation/Third Notice of Non-Compliance

If the alleged violator has not come into compliance, and has not requested a hearing, it will be considered a third violation for which a fine will be imposed following notice to the Homeowner or (designated person/company).

5. Hearing Procedure

* The Board, through its Chairperson, shall direct the proceedings at the hearing or may appoint a Hearing Board and Chair as needed.

* The Chair will poll all members of the Board requiring that any members of the Board that cannot be impartial in the determination of this matter recuse themselves from the hearing.

* The hearing will be conducted informally under the control of the Chair of the Hearing Board or the BOD. The accused will be given the opportunity to be heard, if present. If the alleged violator fails to attend or request a hearing within seven (7) days of the date of the second or further letters of non-compliance the BOD will make a decision with respect to the alleged violation based on: the written complaint, results of the investigation, witnesses and any other available information.

* If a violation is found to exist, the alleged violator will be assessed a fine pursuant to these Policies and Procedures.

* After all testimony and other evidence have been presented at the hearing, the BOD shall render its written findings and decision, and impose any fines within seven(7) days of the date of the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the BOD's present at the hearing. If the Hearing Board determines that a violation has occurred, it will then:

A. Determine what corrective action shall be required of the violator including a time frame to complete the corrective action;

B. Assess an appropriate fine based on the Association's Fine Schedule below, and

C. Determine the date payment of the fine is due.

* The violator may file a written appeal to the BOD of any adverse decision within seven (7) days of the decision. In the event the owner fails to pay the fine consistent with the notification, the fine will be subject to the following schedule:

First Notice of Violation	Courtesy Letter
Second Notice of Violation	\$75.00
Third Notice of Violation	\$75.00
Further Notices of Violation	\$75.00 each week

6. Continuous Violations

A continuous violation is defined as having received one or more non-compliance letters within a calendar year for the same Covenant or Rule. If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy and Procedure, such Owner shall be subject to a fine of \$75.00 per week following a notice and opportunity for hearing as set forth above.

For Example: Owner has received three (3) notices of non-compliance for an RV parking and has had or has waived a hearing and continues to violate Article VIII, Section 10 of the CC&R's, the Owner shall then be fined \$75.00 per week until violation is corrected.

7. Waiver of Fines

The BOD may waive all, or any portion of the fines, if, in their sole discretion, such waiver is appropriate under the circumstances. Additionally, the BOD may conditionally waive the entire fine, or any portion thereof, upon the violator coming into and staying in compliance with the Governing Documents.

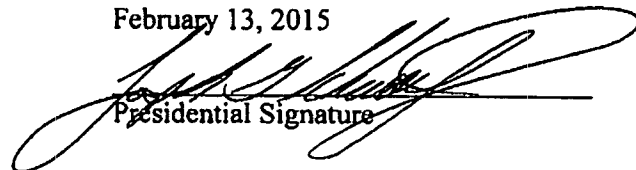
8. Deviations

The BOD may deviate from the procedures set forth in this resolution if, in its sole discretion, such deviation is reasonable under the circumstances.

9. Legal Reimbursement of Fees

The Association may hire an attorney for collection of fees, place your account into a collection agency, place a lien upon your property and may seek reimbursement of its attorney fees and costs, all collection costs, and lien fees in accordance with the 2014 Collection Policy.

February 13, 2015


 Presidential Signature

Brookside Homeowners Association

Dispute Resolution Policy and Procedure

BE IT RESOLVED, the Association hereby adopts the following procedures to be followed for resolving disputes between Owners and the Association.

1. Scope:

To adopt a procedure and policy outlining procedures to be followed for resolving disputes between Owners and the Association.

2. Specifics:

An owner may request a hearing with the Board of Directors if the Owner wishes to dispute a fine or decision the Board has made against the Owner. The request for a hearing must be in writing via email, fax or US Postal Service. If the request is in response to a letter from the Board, the Owner must respond within seven days of the date of the letter from the Board.

A hearing date will be scheduled at the earliest convenience for the Board, but not later than 30 days from the date of the request.

At the hearing, the Owner will be provided time to present evidence to dispute the violation. After the evidence has been presented, the Board will hold an executive session to make their decision. The Owner will be notified of the decision in writing within 7 days of the hearing.

If the owner does not like the finding of the hearing, the Owner may elect mediation. The Mediation process must be initiated within 7 business days.

Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. The parties to the dispute must agree to any decision made in mediation before any settlement is binding. The following process will be followed:

- The parties will jointly decide upon an acceptable mediator and the Owner will be responsible for and bear the cost of such mediation.
- If the parties cannot agree upon a Mediator, each party will choose a Mediator and those Mediators will choose an independent third Mediator to hear the dispute. In this case, the Owner and the Association will each pay for the Mediator they choose. The Owner will be responsible for the cost of the third Mediator.
- The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within (30) calendar days of

the date written notice requesting mediation is sent by one party to the other at the party's last known address

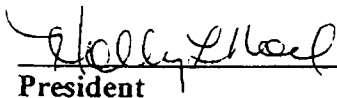
- If the Owner fails to appear for Mediation, the Association shall prevail in the dispute. If the Association fails to appear for Mediation, the Owner shall prevail in the dispute.
- The Mediator will issue a certificate stating the final dispensation of the dispute.

In the event of any arbitration or litigation relating to the Owner's dispute, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney and legal fees.

3. **Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.
4. **Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
5. **Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
6. **Amendment:** The Board of Directors may amend this procedure from time to time.

President's Certification: The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Brookside Homeowners Association



President

Effective Date: 2-19-08

Brookside Homeowners Association

Policies and Procedures For Inspection and Copying of Association Records As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Brookside Homeowners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy governing the inspection and copying of Association records by Association Members; to establish the type of records kept by the Association or its Management Company; and to establish the cost of copying Association records.

WHEREAS, the Colorado Common Interest Ownership Act (CCIOA), in C.R.S. 38-33.3-317 gives all Members the right to examine and copy the financial and other records of the Association.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following to govern the inspection and copying of Association records.

- A. Records Kept by the Association
 1. Many records will be available to Owners on the Association's website, which is maintained by its Management Company.
 2. The Association shall keep as permanent records the following documents:
 - a. Minutes of all meetings of Owners;
 - b. Minutes of all meetings of the Board and committees of the Board;
 - c. A record of all actions taken by the Owners or the Board by written ballot or written consent in lieu of a meeting;
 - d. A record of all actions taken by a committee of the Board in place of the Board on behalf of the Association;
 - e. A record of all waivers or notices of meetings of Owners and of the Board or any committees of the Board;
 - f. A record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owner is entitled to vote;
 - g. All tax returns filed on behalf of the Association;
 - h. Financial records sufficiently detailed to enable the Association to establish the amount of unpaid assessments, late fees, interest, and other legal charges for each Owner.
 3. In addition to the above, the Association shall keep a copy of each of the following records at its Management Company or principal office:
 - a. Articles of Incorporation;
 - b. Declaration of Covenants, Conditions and Restrictions;
 - c. Bylaws;
 - d. Plat;

- e. Association owned or granted easements and other ownership rights such as water rights;
- f. Resolutions adopted by the Board;
- g. Minutes of all Owners meetings and records of all actions taken by Owners without a meeting for the past three (3) years;
- h. All written communications within the past three (3) years to Owners;
- i. A list of the names and business or home address of the Association's current directors' and officers';
- j. The Association's most recent annual report;
- k. All financial statements, tax returns, audits or reviews conducted pursuant to Section 38-33.3-303(4)(b) during the immediately preceding three (3) years.

B. Requesting Inspection

1. An Owner, or duly appointed representative, is entitled reasonable access to the Associations records for inspection and copying.
2. So the Association will have the desired books, records and personnel available, a written notice of intent to inspect must be submitted to the Associations' Management Company, or the Board, at least ten (10) business days prior to the planned inspection. The notice must describe with reasonable particularity which records are to be inspected.
3. The Association shall make the requested records available within ten (10) business days of the Owner's request, or at the next regularly scheduled Owner or Board meeting, if the next regularly scheduled Owner or Board meeting is scheduled within thirty (30) days of the Owner's request, in the sole discretion of the Board. The Board shall advise the Owner of the time and place of such inspection in writing.
4. All records shall be inspected at the principal office of the Association or its Management Company, between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday. At the discretion of the Board, inspection or copying of records may also be done during the next regularly scheduled Owner or Board meeting occurring within thirty (30) days of the Owner's request.
5. At the discretion of the Board or the Association's Management Company, certain records may only be inspected in the presence of a member of the Board or an employee of the Management Company. No records may be removed from the office without the express written consent of the Board. Further, if any Owner requests to inspect records, the Association may photocopy and provide the requested records to the Owner, in lieu of the Owner's inspection of the records, if consented by the Owner.
6. The Association may charge a fee, not to exceed the Association's actual cost-per-page for copies of the Association records and may collect such a fee in advance.

C. Limitations

1. Consistent with individual Owner's right to privacy, attorney-client confidentiality and other considerations, the following records will not be made available without the express written consent of the Board:
 - a. Confidential personnel records;
 - b. Confidential litigation files and matters covering consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or are privileged or confidential between attorney and client.
 - c. Files dealing with investigative proceedings concerning possible or actual criminal misconduct;
 - d. Any matter, the disclosure of which would constitute an unwarranted invasion of individual privacy;
 - e. Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board.

2. Without the express written consent of the Board, a Membership list or any part thereof may not be obtained or used by any person:
 - a. For any purpose unrelated to an Owners interest as an Owner;
 - b. 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;
 - c. For any commercial purpose;
 - d. To be given, sold or purchased by any person or entity; or
 - e. Any improper purpose as determined in the sole discretion of the Board.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 14 day of May, 2020.

Brookside Homeowners Association



President

Brookside Homeowners Association

Policies and Procedures For Reserve Study

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Brookside Homeowners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy addressing the need for a reserve study, funding of any work recommended by the reserve study and projected sources of funding, and whether the reserve study is based on a physical analysis or financial analysis. An internally conducted reserve study shall be sufficient.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures regarding reserve studies:

- A. Need for a Reserve Study- the Association is obligated to maintain, repair, replace or improve certain improvements within the community.
- B. The Association may conduct periodic reserve studies based on recommendations obtained from an independent, qualified reserve study professional or an internally conducted reserve study.
- C. Depending on available resources, the Association may either engage a third-party or may made in-house interim updates to a professional reserve study and may adjust the schedule for updating the reserve study. An update to a reserve study may result from an on-site review of the property or an off-site review of the reserve study and the Association's governing documents. The Board of Directors should consider the following factors when determining the schedule for interim updates to a reserve study:
 - 1. Significant additions or replacements to the common elements since the last reserve study;
 - 2. Wear and tear on common elements due to unseasonable weather or lack of maintenance;
 - 3. Technological or product development improvements that could result in cost savings;
 - 4. Substantial increases in cost of materials or labor;
 - 5. Any scheduled maintenance, repairs, or replacements that the Association deferred or accelerated;
 - 6. Whether reserve income was received as planned;
 - 7. Whether reserve expenditures were incurred as planned;
 - 8. The Association's selected method of funding reserves
- D. The full reserve study will consist of a physical analysis and a financial analysis. Interim updates may consist of a physical analysis, a financial analysis, or both. A physical analysis includes an inventory of all improvements that the Association is responsible for maintaining, repairing, replacing, or improving and a visual inspection of those items to determine their existing condition. A financial analysis includes an evaluation of the estimated remaining life of an item, the adequacy of existing reserve funds, projected future reserve income, projected future reserve needs, and the ability to meet future reserve needs under the existing funding plan.
- E. The Board of Directors will endeavor to fund the Association's reserve fund by increasing the allocations from regular assessments, or by special assessments, or both.

- F. The Association may elect to apply funds from its operating account to maintenance, repair, or replacement costs otherwise covered by reserve funds
- G. The Association will invest all reserve funds in accordance with the Association's policy regarding investment of reserve funds.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 12 day of May, 2020.

Brookside Homeowners Association



President

Brookside Homeowners Association

Investment Policy and Procedure

BE IT RESOLVED, the Association hereby adopts the following procedures to be followed for enforcing policies rules and regulations and other governing document of the Association.

1. Scope:

To adopt a procedure and policy outlining procedures to be followed for investing replacement reserves.

2. Specifics:

No funds shall be deposited or invested except in authorized investments. Authorized investments are those that are in accordance with the declaration and bylaws of the Association and that are obligation of, or fully guaranteed by the U.S. Government.

All accounts, instruments and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the Board as appropriate, and they shall be reviewed at least annually.

Investments shall be guided by the following goals, listed in decreasing order of importance.

- Safety of Principal- The long-term goal is the safety of the replacement reserves.
- Liquidity and accessibility – Funds should be readily available for projected or unexpected expenditures.
- Minimal Costs- Investment costs (redemption fees, commissions, and other transaction costs) should be minimized.
- Professional Management – Funds should be invested with professional managers who have good reputations and sound credentials.
- Return – Funds should be invested to seek the highest level of return that is consistent with preservation of the purchasing power of the principle and accumulated interest.

Association directors have the fiduciary duty to prudently manage reserve assets. Accordingly, the directors have set forth an investment policy to pursue association objectives and goals. The policy is based on historical bond rates, money market instruments and inflation. The directors expect that over time the strategy will produce results consistent with history and meet the reserve fund's goals.

Goals and Objectives

The Association's capital replacement reserve assets shall be invested to achieve the following objectives;

- Promote and ensure the preservation of the reserve fund's principal.
- Structure maturities to ensure availability of assets.
- Mitigate the effects of interest rate volatility upon reserve assets.

- Achieve long-term investment performance that exceeds inflation by 1-3 percent on a net after-tax basis.

Investment Strategy

Select securities that mature in one to five years. Structure them so that an equal number mature each year. Consistently purchase securities at the long end of the maturity range with new or matured funds.

Reserve assets will benefit from long-term interest rates, which are often higher than short-term rates, while maintaining ready availability of funds and cash flow.

The Association may veer from this strategy when reserving a portion for a specific expense. Use the most recent reserve study to match the effective maturities to the dates of expenses.

Effective maturity may be sooner than stated maturity.

Selection Criteria

Securities will be selected with emphasis on these characteristics: preservation of capital, quality, effective maturity and net after-tax return.

In general the following guidelines shall be utilized:

- Funds needed within 6 months shall be invested in savings accounts or money market funds.
- Funds needed within 6 months to one year shall be invested in certificates of deposit.
- Funds needed beyond one year shall be laddered and invested in certificates of deposit or U.S. treasury notes to liquidate as reserve project needs arise.

Fixed Income

Utilize taxable income securities and annuities for Association income that is taxable in the lower brackets. Invest in tax-exempt securities and annuities above that level if the after-tax return is favorable. The taxable portion shall consist of U.S. treasury securities and insured bank certificates of deposit.

Tax-exempt securities and annuities will be rated in the AAA-quality level by at least one major credit rating agency at the time of purchase or be equivalent quality if non-rated.

An issue-by-issue review will be conducted for each security or annuity that has credit rating lowered after purchase and for each security or annuity presently in the portfolio that falls below these criteria. A decision will be made to either hold and monitor or liquidate.

Beyond quality considerations, selection criteria will emphasize securities' or annuities' maturities before yields. This emphasis is recognized as essential to governing investment strategy.

Review and Control

Policy considerations concerning changes of investment strategy or security selection criteria will require a meeting to obtain a consensus

The performance review will be compared to the goals and objectives of the reserve fund. The directors will recognize the price volatility of fixed-income investments and not the strategy to hold such securities to the fixed value at maturity.

The Association's treasurer will receive monthly reserve statements. These statements will provide detailed accounting of current values, income, and transactions. Reports will be available for members of the Association from the Treasurer upon written request.

3. **Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.
4. **Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
5. **Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
6. **Amendment:** The Board of Directors may amend this procedure from time to time.

President's Certification: The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Brooksdie Homeowners Association

President

Effective Date: _____