

**PROCEDURES FOR ADOPTION AND AMENDMENT
OF
POLICIES, PROCEDURES, AND RULES**

The following procedures were adopted by the Board of Directors of The Charterwood Association ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

A. Colorado Revised Statute ("C.R.S.") 38-33.3-209.5(1)(b)(vii) requires the Association to adopt procedures for the adoption and amendment of policies, procedures, and rules.

B. C.R.S. 38-33.3-302(1)(a) authorizes the Association to adopt and amend Bylaws, Rules, and Regulations.

C. Section/Article VI of the Association's Bylaws authorizes the Board of Directors to administer the affairs of the Association.

THEREFORE, IT IS RESOLVED THAT the following procedures shall apply to the Association's policy, procedure and rule making authority:

1. The Board of Directors in its sole discretion shall determine if there is an issue affecting the Community for which a policy, procedure, or rule would be beneficial.

2. The Board will investigate and discuss the reasonable approaches to address the issue affecting the Community.

3. Pursuant to C.R.S. 7-128-401(2)(b), the Board may rely on opinions, information, or statements of its experts in investigating reasonable approaches to address the issue(s) affecting the Community.

4. For purposes of this procedure, the Board will take reasonable steps to avoid adopting a policy, procedure, or rule that is contrary to Federal, State, or local law or the Association's Articles of Incorporation, Bylaws, or Declaration, as well as exercising reasonable care to balance the Association's interests with the interests of the individual Members of the Community.

5. Once the Board has investigated the issue and discussed the reasonable approaches to address the issue, the Board may, but is not obligated to, provide notice to the Members of the issue and the proposal(s) to address the issue by policy, procedure, or rule. The Board may, but is not obligated to, seek the comment of the Members prior to voting on which approach will be implemented.

6. The Board having determined an issue affects the community for which a policy, procedure, or rule would be beneficial, and discussed reasonable approaches to address the issue, may by affirmative vote of the Board adopt such policy, procedure, or rule in the discretion of the Board, by Resolution.

7. The policy, procedure, or rule shall become effective 10 days after the policy, procedure, or rule is published to the Members via U.S. Mail, postage prepaid, addressed to the property within the Community unless the Member requests the Association to use another address in writing. A Member's failure to so receive a copy of the policy, procedure, or rule shall not be a defense to the Association's action to enforce the policy, procedure, or rule.

Procedure adopted by Resolution of the Board of Directors of The Charterwood Association.

By Richard M. Forester
Its President