

**RESOLUTION
OF THE
HOMESTEAD FARM HOMEOWNERS ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURES FOR COLLECTION OF UNPAID
ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure regarding the collection of unpaid assessments.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

AUTHORITY: The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado law.

EFFECTIVE DATE: January 1, 2006

RESOLUTION: The Association hereby adopts the following policy:

It is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors has retained an attorney with experience in representing homeowner associations in collections and other matters. The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. The quarterly installments (January, April, July, and October) of the annual assessment, as determined by the Association and as allowed for in the Declaration, shall be due and payable on the 1st day of that month. Assessments or other charges not paid in full to the Association within fifteen days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association by the 30th of that month shall incur late fees and interest as provided below.
2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's management office.

3. Late Charges on Delinquent Installments. The Association shall impose a 10% late charge for each Owner who fails to timely pay his/her quarterly installment of the annual assessment by the 30th of that month. This late charge shall be a "common expense" for each delinquent Owner. In addition, the Association shall impose interest from the date due at the rate of 18% per annum on the amount owed for each Owner who fails to timely pay their quarterly installment of the annual assessment by the 30th of that month.

4. Personal Obligation For Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, 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. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

6. Application Of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

7. Collection Process.

(a) When a quarterly installment of an annual assessment or other charges due to the Association is not paid by the 30th of that month (January, April, July, and October) the manager shall send with the next quarterly

assessment letter a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment.

(b) When the balance of a quarterly installment(s) of the annual assessment or other charges due to the Association becomes \$400.00 or more, the manager shall turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys shall send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

(d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

8. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Quarterly Due Date (date payment due)	January 1 st , April 1 st , July 1 st , October 1 st
Past Due Date (date payment is late if not received on or before that date)	January 15 th , April 15 th , July 15 th , October 15 th
Date Late fee and interest are imposed	January 30 th , April 30 th , July 30 th , October 30 th
First Notice (notice that late charges/ interest have accrued)	Included with next quarterly assessment letter
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	When account reaches \$400.00 or more

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

9. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property and may charge the Owner a reasonable fee to send such statement. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

10. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, the manager shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

11. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Board and/or manager, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- a. Filing of a suit against the delinquent Owner for a money judgment;
- b. Instituting a judicial foreclosure action of the Association's lien;
- c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests;
- d. File a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

Upon referral of any matter to the Association's attorney, the Association shall pay the attorney's usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

12. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. 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 property.

13. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.

14. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

15. Communication with Owners. It is recommended that all communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. It is also recommended that neither the Manager nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

16. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check

charges, attorney fees and/or costs as described and imposed by this Policy.

17. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

18. 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.

19. 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.

20. Amendment. This Policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Homestead Farm Homeowners Association, Inc. a Colorado nonprofit corporation, 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 this 10-17-05 and in witness thereof, the undersigned has subscribed his/her name.

**HOMESTEAD FARM HOMEOWNERS
ASSOCIATION, INC.**

a Colorado nonprofit corporation

By:


President

**RESOLUTION
OF THE
HOMESTEAD FARM HOMEOWNERS ASSOCIATION, INC.
REGARDING POLICIES AND PROCEDURES FOR COVENANT AND RULE
ENFORCEMENT**

- SUBJECT:** Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.
- PURPOSE:** To adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.
- AUTHORITY:** The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado law.
- EFFECTIVE
DATE:** January 1, 2006
- RESOLUTION:** The Association hereby adopts the following 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, a group of owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.
 2. Complaints. (a) Complaints by owners or residents shall be in writing and submitted to the Board of Directors. The complaining owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints, or written complaints failing to include any information required by this provision, may not be investigated or prosecuted at the discretion of the Association. (b) Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or manager.

3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

4. Initial Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have 15 days from the date of the letter to come into compliance.

5. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within 15 days of the first warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 15 days of the date on the second violation letter.

6. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, shall serve a written notice of the hearing to all parties involved at least 10 days prior to the hearing date.

7. Hearing. At the beginning of each hearing, the presiding officer shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator are required to be in attendance at the hearing. The Board shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board shall, within a reasonable time, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members present at the hearing. Failure to strictly follow the hearing procedures set forth

above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

8. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 15 days of the second letter, or fails to appear at the hearing, the Board may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.

9. Notification of Decision. The decision of the Board, committee or other person, shall be in writing and provided to the Violator and Complainant within a reasonable time of the hearing, or if no hearing is requested, within a reasonable time of the final decision.

10. Reconsideration. The Board may order reconsideration at any time within 15 days following delivery of its decision at the request of the Complainant, Violator, or Board member.

11. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First violation	Warning letter
Second violation (of same covenant or rule)	\$25.00
Third violation (of the same covenant or rule)	\$50.00
Subsequent violations (of same covenant or rule)	\$100.00 or such higher or different sum as may be determined by the Board

Fourth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action.

12. Continuous Violations. Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. Each day of noncompliance with such violations constitutes a separate violation. *For example: the failure to remove an unapproved exterior improvement or the continuous parking in a fire lane.*

If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a monthly fine of \$100.00 each per month per covenant if not corrected, following a notice and opportunity for a hearing as set forth above.

13. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or Rules.

14. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

15. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

16. 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.

17. 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.

18. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Homestead Farm Homeowners Association, Inc., a Colorado nonprofit corporation, 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 this 10-17-05 and in witness thereof, the undersigned has subscribed his/her name.

**HOMESTEAD FARM HOMEOWNERS
ASSOCIATION, INC.,**
a Colorado nonprofit corporation

By: 
President

**RESOLUTION
OF THE
HOMESTEAD FARM HOMEOWNERS ASSOCIATION, INC.
ADOPTING PROCEDURES FOR THE CONDUCT OF MEETINGS**

SUBJECT: Adoption of a policy and procedures for conducting Owner and Board meetings.

PURPOSE: To facilitate the efficient operation of Owner and Board meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the community.

AUTHORITY: The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado law.

EFFECTIVE

DATE: January 1, 2006

RESOLUTION: The Association hereby adopts the following procedures regarding the conduct of meetings:

1. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

(a) **Notice.**

(1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted on signs at the main entrances at least twenty four (24) hours prior to such meeting, or as may otherwise be required by Colorado law.

(2) The Association shall also send written notice of all meetings in its newsletter, at least fifteen days before the meeting is scheduled. Such written notice will specify the place, date, and hour of the meeting in addition to the matters to be discussed.

(3) If any owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Owner meetings to such owner at the email address provided as soon as possible after notice is provided pursuant to the Bylaws but in no case less than 24 hours prior to any such meeting.

(b) **Conduct.**

- (1) All meetings shall be governed by the following rules of conduct and order:
- (A) The President of the Association or designee shall chair all Owner meetings.
 - (B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).
 - (C) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.
 - (D) Anyone wishing to speak must first be recognized by the Chair.
 - (E) Only one person may speak at a time.
 - (F) Each person who speaks shall first state his or her name and Unit address.
 - (G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
 - (H) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
 - (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.
 - (J) Each person shall be given up to a maximum of three to five minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.
 - (K) All actions and/or decisions will require a first and second motion.
 - (L) Once a vote has been taken, there will be no further discussion regarding that topic.
 - (M) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the association.
 - (N) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
 - (O) The Chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

(1) Election of Board Owners shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an owner holds a proxy for another owner, upon presentation of such proxy to the secretary of the association or the secretary's designee, the owner shall receive a secret ballot to cast the vote of the owner who provided the proxy. The proxy shall be kept and retained by the Association.

(2) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

(3) Written ballots shall be counted by a neutral third party (which excludes the Association's manager and legal counsel) or by an Owner(s), who is not a candidate, selected randomly from a pool of two or more unit owners. The Chair shall specify the procedure for randomly selecting the Owner(s). Such procedure shall ensure that the Owner(s) selected is done so without being chosen by the Chair, Board of Directors or candidates.

(4) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

(d) **Proxies.** Proxies may be given by any owner as allowed by C.R.S. 7-127-203 and the Bylaws.

(1) All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (A) Signature of the Owner
- (B) Signatory's authority to sign for the unit owner
- (C) Authority of the unit owner to vote
- (D) Conflicting proxies
- (E) Expiration of the proxy

2. Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

(a) **Conduct.**

(1) All meetings shall be governed by the following rules of conduct and order:

- (A) The President of the Association or designee shall chair all Owner meetings.
- (B) The President of the Association, or designee, shall chair all Board meetings.
- (C) All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address.
- (D) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the owner forum at the beginning of the meeting. Any Owner wishing to speak during the owner forum shall so indicate so at the time of sign in.
- (E) Anyone desiring to speak shall first be recognized by the Chair.
- (F) Only one person may speak at a time.
- (G) Each person speaking shall first state his or her name and Unit address.
- (H) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them.
- (I) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (J) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
- (K) Each person shall be given up to a maximum of three to five minutes to speak or to ask questions, although questions may not be answered until a later date.
- (L) Each person may only speak once during the owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.
- (M) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.
- (N) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) **Owner Input.** After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:

- (1) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then

determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.

(2) Following owner input, the Chair will declare owner input closed and there shall be no further owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further owner participation.

3. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
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. This Policy may be amended at any time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Homestead Farm Homeowners Association, Inc. a Colorado nonprofit corporation, 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 this 10-17-05 and in witness thereof, the undersigned has subscribed his/her name.

**HOMESTEAD FARM HOMEOWNERS
ASSOCIATION, INC.**
a Colorado nonprofit corporation

By:

Carol Raup
President

**RESOLUTION
OF THE
HOMESTEAD FARM HOMEOWNERS ASSOCIATION, INC.
ADOPTING POLICIES AND PROCEDURES
REGARDING BOARD MEMBER CONFLICTS OF INTEREST**

SUBJECT: Adoption of a policy and procedure regarding Director conflicts of interest and a code of ethics.

PURPOSE: To adopt a policy and procedure to be followed when a Director has a conflict of interest to ensure proper disclosure of the conflict and voting procedures and to adopt a code of ethics for Directors.

AUTHORITY: The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado law.

**EFFECTIVE
DATE:** January 1, 2006

RESOLUTION: The Association hereby adopts the following policy and procedure regarding Director conflicts of interest and code of ethics:

1. General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.
2. Definition. A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board would financially benefit: (i) a Director; (ii) a parent, grandparent, spouse, child, or sibling of the Director; (iii) a parent or spouse of any of the persons in subsection (ii); (iv) an entity in which a Director is a director or officer or has a financial interest.
3. Disclosure of Conflict. Any conflict of interest on the part of any Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the Director shall neither participate in discussion nor vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

4. Code of Ethics. In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

- (a) No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
- (b) No contributions will be made to any political parties or political candidates by the Association.
- (c) No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
- (d) No Director shall accept a gift or favor made with intent of influencing decision or action on any official matter.
- (e) No Director shall receive any compensation from the Association for acting as a volunteer.
- (f) No Director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.
- (g) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.
- (h) No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.
- (i) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
- (j) Any Director convicted of a felony shall voluntarily resign from his/her position.

(k) No Director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.

(l) Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.

5. Failure to Disclose Conflict. Any contract entered into in violation of this policy shall be void and unenforceable. In such event, the Board, at the next meeting of the Board, shall vote again on the contract, decision or other action taken in violation of this Policy.

6. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

7. 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 community.

8. 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.

9. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Homestead Farm Homeowners Association, Inc. a Colorado nonprofit corporation, 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 this 10-17-05 and in witness thereof, the undersigned has subscribed his/her name.

**HOMESTEAD FARM HOMEOWNERS
ASSOCIATION, INC.**

By: , President

**RESOLUTION
OF THE
HOMESTEAD FARM HOMEOWNERS ASSOCIATION, INC.
REGARDING PROCEDURES FOR ADOPTION OF POLICIES, PROCEDURES,
RULES, REGULATIONS, OR GUIDELINES**

SUBJECT: Adoption of a procedure to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter "Policy" or "Policies") regarding the operation of the Association.

PURPOSE: To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association and to afford Owners an opportunity to provide input and comments on such Policies prior to adoption.

AUTHORITY: The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado law.

EFFECTIVE

DATE: January 1, 2006

RESOLUTION: The Association hereby adopts the following procedures to be followed in adopting Policies of the Association:

1. Scope. The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

2. Drafting Procedure. The Board shall consider the following in drafting the Policy:

- (a) whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;
- (b) the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue
- (c) the immediate and long-term impact and implications of the Policy.

4. Adoption Procedure. Upon adoption of a Policy, notice of such Policy, including the effective date shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the Association's website. Policies and procedures will become effective after 15 days from the date of adoption by the Board.

6. Policy Book. The Board of Directors shall keep copies of any and all adopted Policies in a book designated as a Policy Book. The Board of Directors may further categorize Policies, Procedures, Rules and Regulations, Resolutions and Guidelines but shall not be required to do so.

7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

8. 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.

9. 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.

10. Amendment. This Procedure may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: 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 held on this 10-17-05 and in witness thereof, the undersigned has subscribed his/her name.

**HOMESTEAD FARM HOMEOWNERS
ASSOCIATION, INC.**

By:

Lara L. Myers, President

**RESOLUTION
OF THE
HOMESTEAD FARM HOMEOWNERS ASSOCIATION, INC.
REGARDING INVESTMENT OF RESERVE POLICY**

SUBJECT: Adoption of an Investment Policy for reserves of the Association.

PURPOSES: To adopt a policy for the investment of reserve funds.

AUTHORITY: The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado law.

EFFECTIVE

DATE: January 1, 2006

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, protect market value of Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.
2. Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.
3. Investment of Reserves. The Board of Directors of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies, listed in order of importance:
 - (a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
 - (b) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
 - (c) Minimal Costs. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.

- (d) Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
- (e) Return. Funds should be invested to seek the highest level of return.
- 4. Limitation on Investments. Unless otherwise approved by the Board, all investments will be: FDIC (Federal Deposit Insurance Corporation) insured, and/or Guaranteed by the United States Government.
- 5. Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.
- 6. Independent Professional Investment Assistance. The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.
- 7. Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.
- 8. Reserve Study. In order to determine funding of the Reserve Account, the Board of Directors may determine, with the assistance and advice of professionals, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study").
- 9. Review of Reserve Study. The Board of Directors shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically at least once every three to five years to adjust and reflect changes in costs, inflation, interest yield on invested funds plus modification, addition or deletion of components.
- 10. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
- 11. 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 community.
- 12. 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.
- 13. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: 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 this 10-17-05 and in witness thereof, the undersigned has subscribed his/her name.

**HOMESTEAD FARM HOMEOWNERS
ASSOCIATION, INC.**

By: _____

President

**RESOLUTION
OF THE
HOMESTEAD FARM HOMEOWNERS ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURE FOR INSPECTION AND COPYING OF
ASSOCIATION RECORDS**

SUBJECT: Adoption of a procedure for the inspection and copying of Association records by Owners and retention of Association permanent records.

PURPOSE: To adopt a policy regarding an Owner's right to inspect and copy Association records and identification of records to be permanently retained by the Association. To adopt a standard procedure to be followed when an Owner chooses to inspect or copy Association records.

AUTHORITY: The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado law.

**EFFECTIVE
DATE:** January 1, 2006

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

1. The Association shall permanently retain the following records as required by Colorado law:
 - Minutes of all Board and Owner meetings
 - All actions taken by the Board or unit Owners by written ballot in lieu of a meeting
 - All actions taken by a committee on the behalf of the Board instead of the Board acting on behalf of the Association
 - All waivers of the notice requirements for unit owner meetings, Board member meetings, or committee meetings
2. Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:
 - (a) The inspection and/or copying of the records of the Association shall be at the Owner's expense;
 - (b) The inspection and/or copying of the records of the Association shall be conducted during regular business

hours of 9:00 a.m. to 5:00 p.m. at the Associations Property Managers office.

- (c) The owner shall give the Association's managing agent a written demand, stating the purpose for which the inspection and /or coping is sought, at least five business days before the date on which the owners wishes to inspect and/or copy such records; and
- (d) The owner shall complete and sign the Agreement Regarding Inspection of Association Records prior to the inspection and copying of any Association record. A copy of the Agreement is attached to this Policy. Failure to properly complete or sign the Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.

3. Proper Purpose/Limitation. Association records shall not be used by any Owner for:

- (a) Any purpose unrelated to an Owner's interest as an Owner;
- (b) The purpose of soliciting 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) Any commercial purpose;
- (d) For the purpose of giving, selling, or distributing such Association records to any person; or
- (e) Any improper purpose as determined in the sole discretion of the Board.

4. Exclusions. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:

- (a) Attorney-client privileged documents and records, unless the Board decides to disclose such communications at an open meeting;
- (b) Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and
- (c) Any documents, or information contained in such documents, disclosure or which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of birth, personal bank account information, and driver's license numbers.

5. Fees/Costs. Any Owner requesting copies of the Association records shall be responsible for all actual costs incurred by the Association, including the cost to search, retrieve, and copy the record(s)

requested. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies.

6. Inspection. The Association reserves the right to have a third person present to observe during any inspection of record by an Owner or the Owner's representative.
7. Original. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.
8. Creation of Records. Nothing contained in this Policy shall be construed to nor require the Association to create records that do not exist or compile records in a particular format or order.
9. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
10. 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.
11. 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.
12. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, respectively being the President of the Homestead Farm Homeowners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on this 10-17-05 and in witness thereof, the undersigned has subscribed his/her name.

**HOMESTEAD FARM HOMEOWNERS
ASSOCIATION, INC.**

a Colorado non-profit corporation,

By:

President



**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS
OF THE HOMESTEAD FARM HOMEOWNERS ASSOCIATION, INC.**

I have requested to inspect and/or obtain copies of the following records for the Homestead Farm Homeowners Association, Inc. (be as specific as possible): _____

The records shall be used for the following purpose(s) only: _____

I understand that under the terms of the Colorado Revised Nonprofit Corporations Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

(A) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;

(B) used for any commercial purpose;

(C) sold to, otherwise distributed to, or purchased by any person;

(D) any other purpose prohibited by law; or

(E) any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

Understood and agreed to by:

Homeowner

Homeowner

Address

Date: _____

Date: _____