

ASPEN BROOK TOWNHOMES HOA

POLICIES AND PROCEDURES

As Adopted Effective 3-17-2017

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ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, AND RULES
POLICY AND PROCEDURES
EFFECTIVE 3-17-17

In compliance with Colorado Statutes, the Board of Directors of The Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter "Association") adopts the following policy for adoption and amendment of policies, procedures and rules:

1. The Board of Directors, in its sole discretion, shall determine if a policy, procedure or rule is necessary for an issue, which has an effect on the community.
2. The Board or Directors may, but is not obligated to, provide notice to the Unit Owners of the meeting when the issue and proposed policy, procedure or rule will be discussed
3. Prior to adopting or amending a policy, procedure or rule, the Board of Directors shall consider the following criteria:
 - a. Necessity and Reasonableness
 - b. Contribution to the protection, enhancement and preservation of property values
 - c. Clarity of definition
 - d. Enforceability
 - e. Absence of conflict with Association's governing documents and applicable local, state or federal regulations or statutes
4. Any adoption or amendment of a policy, procedure or rule shall be performed at a Board of Directors meeting open to all members or their representatives.
5. An affirmative vote from a majority of the Board of Directors in attendance when a quorum of the board is present at the meeting shall be required to adopt or amend a policy, procedure or rule.
6. In the event of any conflict between this Policy and Procedure and the Association's declarations and covenants, or Colorado law, the Association's declarations and covenants and/or Colorado law shall prevail.

IN WITNESS THEREOF, the undersigned certify that this ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, AND RULES POLICY AND PRCEDURES was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17TH day of MARCH, 2017.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: 
President

Attest: 

ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
ALTERNATIVE DISPUTE RESOLUTION POLICY
EFFECTIVE 3-17-2017

In compliance with Colorado Statutes, the Board of Directors of The Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter 'Association') adopts the following policy for the procedure regarding Alternative Dispute Resolution

I. Introduction.

The Board of Directors (the "Board") of Aspen Brook Townhomes Homeowners Association, a Colorado non-profit corporation (the "Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions for Aspen Brook Townhomes Homeowners Association (the "Declaration") (such documents being collectively being referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purposes.

The purposes of this Policy are to:

2.1 Set forth procedures to promote amicable resolution of disputes; and

2.2 Provide an optional framework for addressing disputes between the Association and Owners, but to protect the Association and other Owners from delay or an adverse effect on their rights by allowing proceedings to collect past due assessments, to remedy violations of Association Documents or any matter that may require an injunction, restraining order or protection order to proceed on a parallel track independent of the optional dispute resolution framework described in this Policy.

3. Types of Disputes.

3.1 Matters involving past due assessments are not ordinarily considered disputes subject to this Policy. Rather, these are considered collection matters to, be handled in accordance with the Policy for Collection of Unpaid Assessments. If any Owner claims that payment of assessments should be excused or offset by any alleged act or omission of the Association, such Owner's claim will be considered a dispute subject to the procedures in this Policy.

3.2 Enforcement actions regarding violations of the Association Documents, including proceedings seeking compliance by way of injunctive relief and/or proceedings to impose fines, shall be handled in accordance with the Policy for Enforcement of Covenants and Rules (Including Notice and Hearing Procedures and Schedule of Fines). If any Owner claims that any enforcement action should be abated because of any act or omission by the Association, such claim of abatement shall be considered a dispute subject to the procedures of this Policy.

3.3 All other disputes arising between the Association and any Owner shall be addressed as set forth in this Policy.

3.4 The types of disputes described above which are subject to this Policy are collectively referred to as "Disputes."

4. **Notice of Dispute.**

In the event of a Dispute between the Association and any Owner, either the Association or an Owner may provide written notice ("Notice") of the Dispute by U.S. Mail, first class postage prepaid to such address for the recipient shown by the public records. The Notice shall be considered effective three days following deposit in the mail. The Notice must contain specific information regarding the facts, circumstances and concerns giving rise to the Dispute.

5. **Resolution or Mediation of Dispute.**

5.1 **Request for Mediation.** Within thirty (30) days of receipt of the Notice, the Association and Owner shall make good faith efforts to discuss and resolve the Dispute amicably. If the parties are unable to reach an amicable resolution of the Dispute, either the Association or an Owner may request mediation by an independent, third-party mediator. A request for mediation (the "Request") must be in writing and mailed to the Association or Owner by U.S. Mail, first class postage prepaid to such address for the recipient shown by the public records. The Request shall be considered effective three days following deposit in the mail. The parties shall make reasonable efforts to select a mediator and schedule mediation of the Dispute within 30 days after the effective date of the Request, or such longer time as the parties may agree upon in writing. The parties shall make reasonable efforts to use free or low cost mediation services to minimize expenses (ie: the Neighborhood Resources Office with the City of Fort Collins), if available. If the mediation does not occur within 30 days (or longer if so agreed in writing), or the parties are unable to settle the Dispute through mediation, the Association or Owner may pursue any other lawful remedy allowed by the Association Documents or Colorado law.

5.2 **Mediation Fees and Costs.** Fees and costs associated with the mediation, if applicable, including payment of fees to the mediator, shall be paid as follows:

a. The requesting party shall pay the mediator in advance for the first two hours of mediation.

b. If the mediation lasts more than two hours, the mediator's fees for time beyond the first two hours shall be divided equally between the Association and Owner(s), and paid at the conclusion of the mediation.

c. The Association and any participating Owner may be represented by their respective attorneys at the mediation. Each party shall pay their respective attorney fees associated with the mediation.

d. If an Owner requests mediation but fails to appear at the date and time scheduled for the mediation, the Owner shall pay all expenses of the Association related to the mediation, including attorney fees and costs, and those expenses shall be assessed against the Owner as part of the Owner's Assessment.

5.3 Continuation of Hearing and Imposition of Fines. A Notice or Request by an Owner based on a matter where the Owner is asserting a defense or excuse shall not suspend or stay any fine hearing or imposition of fines in accordance with the Policy for Enforcement of Covenants and Rules (Including Notice and Hearing Procedures and Schedule of Fines). Any fines imposed prior to or after a Notice or Request is provided shall remain in place or continue to accrue (in the event of a continuing violation where a daily fine is imposed) pending mediation of the Dispute. Unless otherwise agreed by both parties, such fines shall remain legally collectable as Assessments in accordance with the Association Documents and Colorado law.

5.4 Continuation of Legal Proceedings. A lawsuit for the collection of Assessments or enforcement of the Association Documents may be commenced prior to or after receiving a Notice or Request, and such request shall not suspend or stay the lawsuit. The lawsuit shall continue forward, in addition to the mediation process described above, unless otherwise agreed upon by the parties in writing.

6. Variations.

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

7. Amendment.

This Policy may be amended from time to time by the Board.

IN WITNESS THEREOF, the undersigned certify that this ALTERNATIVE DISPUTE RESOLUTION POLICY was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17th day of MARCH, 2017.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: 
President

Attest: 

ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
BOARD MEMBER'S CONFLICT OF INTEREST POLICY
EFFECTIVE 3-17-2017

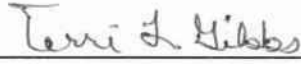
In compliance with Colorado Statutes, the Board of Directors of The Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter 'Association') adopts the following policy for Board Members' conflict of interest:

1. A conflict of interest of a Board Member shall be deemed to exist if the Board Member or his/her spouse, children, grandchildren, parent, grandparent, or sibling; or the spouse of his children, grandchildren, parent, grandparent, or sibling would receive a financial benefit from a contract, transaction, or arrangement with the Association. Financial benefit shall include a direct or indirect financial compensation, as well as gifts and favors even if unsubstantial.
2. In the event that such a conflict shall exist, the interested Board Member shall disclose the conflict to the existing Board Members during the first meeting at which the interested Board Member is present after the conflict of interest is or should be discovered. Such disclosure shall be recorded in the minutes for the meeting.
3. If the disinterested Board Members so determine, the interested Board Member may be asked to leave the meeting during discussion of the proposed contract, transaction, or arrangement. If the interested Board Member is allowed to stay, he/she may answer questions and briefly state his/her position on the matter but shall not use his/her personal influence to attempt to persuade the remaining members.
4. The interested Board Member may not vote on the issue. The minutes for the meeting shall reflect the abstention from voting and the reason for the abstention.
5. If the interested Board Member fails to disclose a conflict of interest in violation of this policy and Colorado Law, any contract, transaction or agreement may be deemed void and unenforceable. The Association may seek restitution for damages from the interested Board Member failing to disclose the conflict, including all costs and attorney's fees.
6. In the event of any conflict between this Policy and Procedure and the Association's declarations and covenants, or Colorado law, the Association's declarations and covenants and/or Colorado law shall prevail.

IN WITNESS THEREOF, the undersigned certify that this BOARD MEMBER'S CONFLICT OF INTEREST POLICY was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17TH day of MARCH, 20 17.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: 
President

Attest: 

**RESOLUTION
OF
ASPEN BROOK TOWNHOMES HOA
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, Articles of Incorporation and Bylaws of the Association and Colorado Law.

EFFECTIVE: April 1, 2017

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.** Installments 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 April. Assessments or other charges not paid in full to the Association within 10 days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 10 days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.
2. **Receipt Date.** The Association shall post payment on the day that the payment is received in the Association's office.
3. **Late Charges on Delinquent Installments.** The Association shall impose on a monthly basis a 5% late charge for each Owner who fails to timely pay his/her annual assessment within 10 days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of 12% per annum on the amount owed for each Owner who fails to timely pay their annual assessment within 10 days of the due date.

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. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed \$25.00, shall be assessed an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this resolution after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the annual assessment is not timely made within 10 days of the due date.

6. **Service Fees.** In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.

7. **Payment Plan.** Any Owner who becomes delinquent in payment of assessments after January 1, 2015 and whose account is not currently with the Association's attorney or a collection agency for collection action on January 1, 2015, may enter into a payment plan with the Association, which plan shall be for a minimum term of 6 months or such other term as may be approved by the Board of Directors. Such payment plan shall be offered to each owner prior to the Association referring any account to an attorney or collection agency for collection action. In the event the Owner defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

8. **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.
9. **Application of Payments.** All sums collected on a delinquent account shall be remitted to the Association attorney until the account is brought current. All payment received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to 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 the application of the payment to any special or regular assessments due or to become due with respect to such Owner.
10. **Collection Process.**
- a. After an installment of an annual assessment or other charges due to the Association becomes more than 10 days delinquent, the Management Company shall send 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. After an installment of an annual assessment or other charges due to the Association becomes more than 40 days delinquent, the Management Company shall send a second written notice ("Second Notice: _ of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. The Association's notice, at a minimum shall include the following:
 - i. The total amount due to the Association along with an accounting of how the total amount was determined.
 - ii. Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
 - iii. A name and contact information for an individual the owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.
 - iv. A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the owners right to vote if permitted in the Bylaws or Declaration.
 - c. After an installment of an annual assessment or other charges due to the Association becomes more than 70 days delinquent, the Management Company shall send a third written notice ("Third Notice") of non-payment, amount past due, notice that interest

and late fees have accrued, notice of intent to file a lien and request for immediate payment.

- d. After an installment of an annual assessment or other charges due the Association becomes more than 100 days delinquent, the Management Company shall file a lien and turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys may 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.
- e. 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.

11. **Acceleration and Deceleration of Assessments.** On any account that is at least 60 days delinquent, the Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

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

Due Date (date payment due)	1st day of the month due
Past Due Date (date payment is late if not received on or before that date)	10 days after due date
First Notice (notice that late charges and interest have accrued)	Any time after 10 days after due date
Second Notice (Notice that late charges and interest have accrued, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after 40 days after due date
Third Notice (notice that late charges and interest have accrued, notice of intent to file lien)	Any time after 70 days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after 100 days after due date

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

13. **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 for a reasonable fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.
14. **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 Management Company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
15. **Use of Certified Mail/Regular Mail.** In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.
16. **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 Management Company, 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, upon approval by the Association's Board of Directors;
 - c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interest; and
 - d. Filing 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.
17. **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.

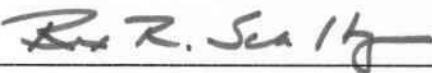
18. **Rental Interception.** To the extent permitted by the Declaration, the Association may, without court order, notify the tenant of any unit where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.
19. **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. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.
20. **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.
21. **Communication with Owners.** All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. 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 contract.
22. **Communication by Owners.** Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
23. **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.
24. **Credit Report.** In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado Law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

25. **Definitions.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
26. **Supplement to Law.** The provision of this Resolution shall be in addition to and in supplement of the terms and provision of the Declaration and law of the State of Colorado governing the Project.
27. **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.
28. **Amendment.** This Policy may be amended from time to time by the Board of Directors.

IN WITNESS, the undersigned certified that this Resolution was adopted by Board of Directors of the Association on ~~November 19, 2014.~~

MARCH 17, 2017

ASPEN BROOK TOWNHOMES HOA,
A Colorado nonprofit corporation,

By: 

Its: President

ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
CONDUCT OF MEETINGS POLICY AND PROCEDURES
EFFECTIVE 3-17-2017

In compliance with Colorado Statutes, the Board of Directors of The Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter "Association") adopts the following policy and procedures for the Conduct of Meetings of the Association.

Members Meetings and Special Meetings

1. Meetings of the Unit Owners shall be held in accordance with the Association's Governing Documents or at least once per year. Special meetings may be called by the president, a majority of the Board of Directors, or by a petition signed by not less than 20% of Unit Owners. Special meetings will be held within 60 days after the proper request for such meeting is received. The Board of Directors, in their sole discretion, will determine the date, time and place of any Unit Owners meeting or special meeting.
2. Notice of any members meeting or special meeting will be sent not less than ten nor more than sixty calendar days in advance of the meeting by postage prepaid US mail to the mailing address of each unit or to any other mailing address designated in writing by the Unit Owner. The notice will also be physically posted on the Association bulletin board or in another conspicuous place when such posting is feasible and practical. The notice shall state the date, time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to Governing Documents, any budget changes, and any proposal to remove a member of the Board of Directors.
3. If possible, the Association will provide notice of any Unit Owners' meeting or special meeting in electronic form by posting on a website or by electronic mail to those Unit Owners who so request and provide the Association with their electronic mail address. Electronic notice will be sent out as soon as possible, but not less than 24 hours prior to the meeting.
4. All Unit Owner meetings or special meeting will be open to every Unit Owner of the Association or to any person designated by a Unit Owner in writing as the Unit Owner's representative.
5. Prior to the meeting, each Unit Owner must sign in for himself/herself and any proxies he/she holds. If a vote or election is held then the Unit Owner will be given the appropriate number of ballots.
6. The President of the Association Board of Directors or such other person as may be designated by the Board of Directors shall serve as the Chair and preside over the meeting. All items under consideration must be motioned and seconded prior to discussion and voting.
7. All Unit Owners or their designated representative will be allowed to speak at the appropriate time during deliberations and proceedings. The Chair, in his/her reasonable discretion, has the right to limit the amount of time each person will be allowed to speak. Any person not in compliance with the following rules of conduct may be asked by the Chair to leave the meeting:

- a. Members must be recognized by the Chair before speaking
 - b. All comments and questions must be made in a businesslike manner and be relevant to the item under discussion
 - c. Only the Chair may interrupt the speaker. Unit Owners may not interrupt the speaker or otherwise disrupt the meeting
 - d. Unit Owners must refrain from using rude, abusive, threatening, or foul language and from making personal attacks
8. Votes for position on the Board of Directors shall be taken by secret ballot if there are more candidates available than open positions. Upon the request of one or more Unit Owners, a vote on any other matter on the agenda and affecting the common interest community, on which all Unit Owners are entitled to vote, shall be by secret ballot
 9. The Association is not required to hold Member or Special meetings in accordance with Robert's Rules of Order
 10. In the event of any conflict between this Policy and Procedure and the Association's declarations and covenants, or Colorado law, the Association's declarations and covenants and/or Colorado law shall prevail.

Board of Directors Meetings

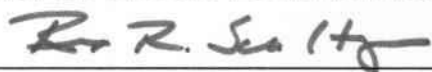
1. Board of Directors Meetings shall be held in accordance with the Association's Governing Documents or at least once per year.
2. All Board of Directors meetings will be open to every Unit Owner of the Association or to any person designated by a Unit Owner, in writing, as the Unit Owner's Representative.
3. Prior to the meeting, each Unit Owner who intends to speak must sign in. The Board of Directors will designate a forum at the beginning of each meeting. The time limit for the forum will be determined by the Board of Directors but shall not be less than 15 minutes. Only those unit Owners who have signed in will be allowed to speak during this time.
4. Any person not in compliance with the following rules of conduct may be asked to leave the meeting:
 - a. Unit Owners must be recognized by the Chair before speaking
 - b. All comments and questions must be made in a businesslike manner
 - c. Only the Chair may interrupt the speaker. Unit Owners may not interrupt the speaker or otherwise disrupt the meeting
 - d. Unit Owners must refrain from using rude, abusive, threatening, or foul language and from making personal attacks
5. The President of the Association Board of Directors or such other person as may be designated by the Board of Directors shall preside over the meeting. All items under consideration must be motioned and seconded prior to discussion. Except as set forth above, Unit Owners who are not Board Members may not participate in the Board of Directors discussion unless expressly authorized by a vote of the majority of the Board Members.
6. At the conclusion of the discussion, but prior to a vote on the motion by the Board Members, the Board of Directors shall permit a reasonable number of Unit Owners to speak before formal action is taken on the item under discussion. The Board of Directors may limit the number of Unit Owners allowed to speak but

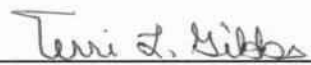
shall provide speaking opportunities for an equal number of Unit Owners on each side of an issue. The Chair, in his/her reasonable discretion, has the right to limit the amount of time each person will be allowed to speak.

7. Meeting minutes shall record all motions and the number of votes in favor, votes against, and abstentions.
8. The Board of Directors may hold a closed door session and restrict attendance of Unit Owner to discuss the following issues:
 - a. Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
 - b. Consultation with legal counsel concerning disputes that are the subject of possible, contemplated, pending or imminent court proceedings or matters that are attorney-client privileged;
 - c. Review of or discussing related to any written or oral communication from legal council.
 - d. Investigative proceedings concerning possible or actual criminal misconduct;
 - e. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
9. The Association is not required to hold Board of Directors Meetings in Accordance with Robert's Rules of Order.
10. In the event of any conflict between this Policy and Procedure and the Association's declarations and covenants, or Colorado law, the Association's declarations and covenants and/or Colorado law shall prevail.

IN WITNESS THEREOF, the undersigned certify that this CONDUCT OF MEETINGS POLICY AND PROCEDURES was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17th day of MARCH, 2017.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: 
President

Attest: 

ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
COVENANT AND RULES ENFORCEMENT POLICY AND PROCEDURES
EFFECTIVE 3-17-2017

In compliance with Colorado Statutes, the Board of Directors of the Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter "Association") adopts the following policy for the enforcement of the covenants and rules of the Association:

1. Any Unit Owner, Resident, Board Member or managing agent may contact the Association regarding an alleged violation of the Association's governing documents. Complaints that cannot be verified by the Association's Board of Directors or managing agent must be made in writing. Written complaints must clearly indicate the nature of the violation, the date, time and location of the violation and the name(s) or address of the accused. Neither Board Members nor the managing agent will be obligated to consider or investigate verbal complaints.
2. After the receipt of a complaint of an alleged violation of the Association's governing documents, a notice of alleged violation will be sent to the Unit Owner, which states the specific alleged violation that is occurring and the possibility that fines will be imposed. The Association may also send the notice of alleged violation to any residents of the unit but will not be required to do so. The Board of Directors has the authority to determine if a complaint has a valid basis before a notice of alleged violation is sent.
3. If a Unit Owner wishes to dispute an alleged violation, he/she must request a hearing with the Board of Directors, in writing, within 14 calendar days of the date of the notice of alleged violation. Failure to request a hearing with the Board of Directors will be construed as an admission of the violation and the right to a hearing will be deemed waived forever. If a request for a hearing is not received, the Board will determine, in its sole discretion, if a violation has occurred and may assess fines.
4. If a Unit Owner requests a hearing, the Unit Owner will be notified of the time, date and place of the hearing, not less than 5 days before the scheduled hearing date. The Board, in its sole discretion, may grant continuances for good cause.
5. At the start of the hearing, the Board of Directors will explain the procedure, rules and guidelines by which the hearing will be conducted. Each party will be allowed to speak and present evidence, testimony and witnesses if so desired. At the completion of the presentation of evidence, the Board of Directors will make a decision, for or against a Unit Owner, regarding the alleged violation. The decision will be based on the vote of a majority of the Board of Directors present at the hearing. The Board of Directors may also vote to impose a fine at this time. The decision of the Board of Directors, along with a notice of a fine imposed, if applicable, will be sent to the Unit Owner within 15 calendar days of the date of the hearing.
6. Once a Unit Owner has waived his right to a hearing or the Board of Directors has determined, after a hearing, that a violation is occurring or has occurred, fines may be assessed according to the following schedules:

- a. Fine Schedule for specific violations such as nuisances, pet violations etc is:
- i. First fine for violation;
Notice & Fine Threat
 - ii. Second fine for violation within 14 days:
\$25.00 & notice of \$50.00 fine
 - iii. Third fine for violation within 14 days:
\$50.00 & notice of \$100.00 fine.
 - iv. Fourth and subsequent violations within 14 days:
\$100.00 fine and notice of lien filing and turning over to collections (attorney or otherwise).

In the event of continuing specific violations, Unit Owners may be fined for every occurrence of the violation, but not more than every two weeks.

- b. Fine schedule for ongoing violations such as architectural, landscaping, parking etc. is:
- i. Violations exceeding 30 days: \$25.00
 - ii. Violations exceeding 60 days: \$50.00
 - iii. Violations exceeding 90 days: \$100.00

In the event of continuing ongoing violations, after 90 days, Unit Owners may be fined \$50 daily until the violation is corrected.

7. Notwithstanding any provision of this Covenant and Rules Enforcement Policy and Procedure, the Board may pursue legal action against a Unit Owner to enforce the governing documents of the Association without following the preceding notice and hearing procedures if the Board deems that such action is in the best interest of the Association
8. In the event of any conflict between this Policy and Procedure and the Association's declarations and covenants, or Colorado law, the Association's declarations and covenants and/or Colorado law shall prevail.

IN WITNESS THEREOF, the undersigned certify that this COVENANT AND RULES ENFORCEMENT POLICY AND PROCEDURE was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17th day of MARCH, 2017.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: R. R. Seely
President

Attest: Tami L. Gibbs

ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
DOCUMENT RETENTION AND DESTRUCTION POLICY
EFFECTIVE 3-17-2017

In compliance with Colorado Statutes, the Board of Directors of The Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter 'Association') adopts the following policy for the policy regarding Document Retention and Destruction.

SUBJECT: Document Retention and Destruction

PURPOSE: To adopt a Document Retention and Destruction Policy

RESOLUTION: The following resolution has been adopted by the Association pursuant to Colorado law, the Declaration of Covenants, Conditions and Restrictions for Aspen Brook Subdivision and the Bylaws of the Association at a regular meeting of the Board of Directors.

SECTION 1

Introduction

1.1 SCOPE: This Document Retention and Destruction Policy applies to the Aspen Brook Townhomes Homeowners Association (hereinafter the "Association"), the Association Manager and the Association's Board of Directors.

The documents maintained by the Association's legal counsel are not subject to this Document Retention and Destruction Policy.

1.2 PURPOSE: This Document Retention and Destruction Policy is created to establish guidelines for identifying, retaining, storing, protecting and disposing of the Association's Documents (the "Documents"). This Document Retention and Destruction Policy is necessary to ensure that the Association conducts itself in a cost-effective manner while also adhering to legal and business requirements.

1.3 POLICY:

- A It is the Association's policy to maintain complete and accurate Documents. Documents are to be retained for the period of their immediate use unless longer retention is required for historical reference, contractual or legal requirements, or for the other purposes as set forth in this Document Retention and Destruction Policy.
- B Documents that are no longer required or have satisfied their recommended period of retention are to be destroyed in an appropriate manner.
- C The Association Manager is responsible for ensuring that Documents within his or her area of assigned responsibility are identified, retained, stored, protected and subsequently disposed of, in accordance with the guidelines set forth in this Document Retention and Destruction Policy.

1.4 COMPLIANCE: This Document Retention and Destruction Policy is not intended to be all inclusive, and accordingly must be tailored to meet the specific needs of the Association. The retention periods set forth herein are guidelines based on the current retention periods set forth in the federal, state, and local statutes and regulations (none of which explicitly address the Association), and industry custom and practice.

1.5 BOARD MEMBERS: The Association does not require Board Members to maintain any Documents. Board Members in their discretion may dispose of Documents generated by the Association because the Association has maintained such Documents in the Official Files. However, if Board Members receive Documents relating to the Association, which were not generated by the Association, or not received through the Association, Board members shall send the original of such Documents to the Association Manager to be maintained in the Official Files.

Documents created by Board Members for their own use as a member of the Board of Directors, including but not limited to notes, drafts, emails, summaries, etc. are not Documents of the Association and should be destroyed by the Board Member once an Association Document is produced or within six months of creation, whichever is sooner, unless otherwise provided herein. E-mail discussions among Board Members shall be copied to and saved by the Association's manager pursuant to this policy. No Board Member shall disclose or provide any Document to any owner outside of the Board of Directors. Directors shall direct owners to make a formal request to the Association pursuant to its inspection of records policy.

- 1.6 **Annual Purge of Files:** The Association Manager shall conduct an annual purge of files. The annual purge of files shall be completed within the first quarter of each calendar year.
- 1.7 **Destruction Procedure:** All Documents to be purged or destroyed pursuant to this Document Retention and Destruction Policy shall be shredded or permanently deleted electronically, if stored in an electronic format.
- 1.8 **Certification:** Following the annual purge of files, the Association Manager shall complete a Certification Letter directed to the Association's Board of Directors stating that all Documents under his or her control conform to the retention guidelines. Each Board Member shall complete a Certification Letter annually stating that all documents created by him/her have been destroyed pursuant to Paragraph 1.5.
- 1.9 **Miscellaneous:** There may be an immediate destruction of copies of any Document, regardless of age, provided that an original is maintained in the official Files of the Association.
- 1.10 **Onset of Litigation:** At such time as the Board or the Association has been served with a lawsuit, or if it is reasonably foreseeable that litigation may be imminent, all Documents potentially relevant to the dispute must be preserved notwithstanding anything in this policy to the contrary.
Therefore, at the direction of legal counsel the Association manager will advise the Board Members, and any other person who may maintain Association Documents, of the facts relating to litigation. Thereafter, all Documents potentially relevant to the dispute shall be deemed "held" until such litigation is concluded and all appeal periods have expired. At the conclusion of the litigation the "hold" period will cease and the time periods provided in the Document Retention and Destruction Guidelines will recommence.

SECTION 2

Definitions

- 2.1 **CURRENT:** Current means the calendar year in which the Document was created, obtained or received.
- 2.2 **DOCUMENT:** Document means any documentary material that is generated or received by the Association in connection with transacting its business, is related to the Association's legal obligations, and is retained for any period of time. The term "Document" includes, among others, writings, drawings, graphs, charts, photographs, tape, disc, audio records, microforms, and other electronic documents from which information can be obtained or translated such as electronic mail, voice mail, floppy disks, hard discs and CD ROM. The Documents, as defined in this policy, may encompass more records than those which are available for inspection by Owners pursuant to the Association's Inspection of Records Policy. Not all Documents may be records of the Association as that term is defined in the inspection of Records Policy and Colorado law, and therefore may not be subject to inspection by Owners.
- 2.3 **ASSOCIATION MANAGER:** Association Manager means the Manager of the Association, currently Foster Management, Inc.
- 2.4 **OFFICIAL FILES:** "Official Files" means the files maintained by the Association Manager of the Association.

Legal documents and documents subject to the attorney-client privilege and the work product privilege maintained by the Association's legal counsel are not part of the "official Files" of the Association.

- 2.5 **PERMANENT:** Permanent means that the retention period for that Document is Permanent.
 2.6 **TERMINATION:** "Term + 4 years" means four years beyond the termination of the relationship, contract or coverage.

SECTION 3

Retention Period

The Association's Documents are grouped into five functional categories as set forth below. Although every conceivable Document is not listed, the following list should indicate to which subcategory a particular Document relates.

1. ACCOUNTING RECORDS

	RETENTION PERIOD
Accounts Payable	7 years
Accounts Receivable	7 Years
Audit Reports	Permanent
Chart of Accounts	Permanent
Depreciation Schedules	Permanent
Expense Records	7 years
Financial Statements(Annual)	Permanent
Fixed Asset Purchases	Permanent
General Ledger	Permanent
Inventory Records	7 years
Loan Payment Schedule	7 years
Federal and State Tax Returns	Permanent

2. BANK/FINANCIAL RECORDS

	RETENTION PERIOD
Bank Reconciliation	2 years
Bank Statements	7 years
Deposit Tickets	6 years
Cancelled Checks	7 years
Cash Receipts / Disbursement Journals	7 years
Owner Ledgers	While owner owns a home in the community + 7 years
Electronic Payment Records	7 years
Audit Reports	Permanent
Personal property Tax Returns	Permanent
Budgets	1 year
Reserve Study	Retain current plan at all times

3. CORPORATE RECORDS

	RETENTION PERIOD
Board Minutes	Permanent
Committee Minutes	Permanent
Member Meeting Minutes	Permanent
Bylaws, Articles and CC&R's	Permanent
Rules and Regulations	Permanent
Record of Board of Directors or Members without a Meeting (for example, records of decisions made by the Board via e-mail)	Permanent

E-mail communications among Board Members directly related to and resulting in a decision made by the Board outside of a meeting.	1 year
General e-mail discussions among the Board which do not result in any decision being made outside of a meeting	1 year
Record of Waivers of Notices of Meeting of Members, Board of Directors or Committees	Permanent
Board Resolutions	Permanent
Business Licenses	Permanent
Contracts	Life + 7 years or warranty period if longer
Correspondence from Legal Counsel	Permanent
Insurance Policies	Life + 4 years
Leases/Mortgages	Permanent
Patents/Trademarks	Permanent
Bids, Proposals	5 years
Homeowner Records	Permanent
Vendor Invoices	7 years
Written Correspondence between Association and Vendors	7 years
Photographs	7 years
Periodic reports filed with the Secretary of State	1 year
Videotapes and audiotapes of Board meetings	until minutes approved
Proxies and Ballots (generally) (unless otherwise provided herein)	1 year after meeting
Proxies and Ballots for Document Amendments	Permanent
Deeds, Easements and Other Real Property Records	Permanent

4. EMPLOYEE RECORDS, IF ANY

	RETENTION PERIOD
Benefits Plans	Permanent
Personnel Files	7 years
Employment Applications	3 years
Employment Taxes	7 years
Payroll Records	7 years
Pension/Profit Sharing Plans	Permanent

5. REAL ESTATE RECORDS

	RETENTION PERIOD
Construction Records	Permanent
Warranties	Permanent
Leasehold Improvements	Permanent
Lease Payment Records	Life + 4 years
Real Estate Purchases	Permanent

6. OWNER COMMUNICATIONS

	RETENTION PERIOD
Written Communications to all Owners generally (including meeting or other notices sent via e-mail, facsimile and regular mail)	6 years

7. INDIVIDUAL MEMBER FILES

	RETENTION PERIOD
Correspondence to Members individual (not including enforcement letters)	As long as Member owns + 4 years

Enforcement Letters (including covenant violation letters and violation letters and delinquency letters) As long as Member owns + 4 years
Architectural requests and any responses from the Association regarding Requests Permanently
Any Correspondence between Association and Members not otherwise listed As long as member own + 4 years

8. MISCELLANEOUS

Miscellaneous Documents (not otherwise listed)

RETENTION PERIOD

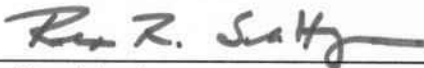
At Board's discretion

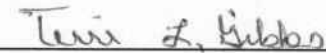
Amendment.

This Policy may be amended from time to time by the Board.

IN WITNESS THEREOF, the undersigned certify that this RECORD RETENTION AND DESTRUCTION POLICY was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17th day of MARCH, 2017.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: 
President

Attest: 

ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
RECORDS INSPECTION POLICY
EFFECTIVE 3-17-2017

In compliance with Colorado Statutes, the Board of Directors of The Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter "Association") adopts the following policy for records inspection:

1. A Unit Owner or duly authorized representative shall be entitled to inspect and copy the Association's records during regular business hours at the Association's principal office provide the request is made in good faith and for proper purposes and the Unit Owner delivers written notice to the Association. All requests must be submitted on the Association's record inspection form attached to this policy. Written notice must include:
 - a. Detailed description of the records requested for inspection or copying including type of reports, dates, addresses, etc.
 - b. Detailed description of the purpose the Unit Owner has for reviewing the requested records.
2. The Board or Directors, in its sole discretion, may determine whether a Unit Owner's request to inspect and copy records is made in good faith and for a proper purpose
3. A Membership list or any part thereof may not be used for the following purposes without the written consent of the Board of Directors, including but not necessarily limited to:
 - a. To solicit money or property unless such money or property will be used solely to solicit votes of the members in an election to be held by the Association;
 - b. For any purpose not directly related to a Unit Owner's interest as a unit owner;
 - c. For any commercial purpose;
 - d. To be sold or purchased by any person or entity.
4. After receipt of a written request and determination that the inspection is in good faith and for proper purpose, the Association shall make an appointment, which is convenient to the Association or managing agent to conduct the inspection. All records shall be inspected at the office of the Association's managing agent, unless otherwise agreed upon in advance. All appointments will be limited to 4 consecutive hours.
5. The Association may impose a reasonable charge for all copies provided to a member. The charge may not exceed the actual cost for copies charged to the Association. If a Unit Owner requests documents which must be retrieved from archived storage or other sources, (e.g. attorney, CPA, etc.), the member will be responsible for all costs, payable in advance, of retrieval including but not limited to retrieval fee, labor, materials, and postage.
6. Records may not be removed from the premises where they are inspected without the prior written consent of the Board
7. The following records may be kept confidential by the Association:

- a. Documents relating to attorney/client privilege or regarding possible, contemplated, pending or imminent legal action or court proceedings
- b. Documents which according to the law cannot be disclosed to a third party
- c. Documents which if disclosed would constitute an invasion of privacy
- d. Documents regarding personnel or employment issues

8. In the event of any conflict between this Policy and Procedure and the Association's declarations and covenants, or Colorado law, the Association's declarations and covenants and/or Colorado law shall prevail.

IN WITNESS THEREOF, the undersigned certify that this RECORDS INSPECTION POLICY was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17th day of MARCH, 2017.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: *R. R. Seeley*
President

Attest: *Terri L. Gibbs*


ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
RESERVE FUND INVESTMENT POLICY
EFFECTIVE 3-17-2017

In compliance with Colorado Statutes, the Board of Directors of The Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter 'Association') adopts the following policy for the investment of reserve fund(s):

1. The Board of Directors will determine the amount to be transferred to the reserve fund on an annual basis. This amount will be included in the Association's yearly budget.
2. Reserves may be invested in the following financial instruments which may be recommended by the Association's financial advisor and in accordance with the Association's financial goals:
 - a. Certificates of deposits
 - b. Money Market Deposit accounts or funds
 - c. US Treasury bonds and zero coupons
 - d. Municipal bonds
3. The principal objective for reserve funds is to maintain, repair, and replace those capital items, which the Association is responsible to periodically maintain, repair or replace. Reserve funds shall be invested to achieve the following goals in order of priority as follows:
 - a. Preservation and safety of principal
 - b. Liquidity of funds to meet expected and unexpected capital expenses
 - c. Maximization of yield
4. All reserve fund investments decisions will be subject to the approval of the Board of Directors and should be reviewed on a yearly basis
5. Any expenditure of Association reserve funds will require the signature of at least two Board Members. However, the managing agent shall have the authority to transfer funds between the reserve account(s) and operating account(s), as needed.
6. The Association shall maintain adequate fidelity coverage to protect against theft or dishonesty as stated in the Association's governing documents.
7. The Association shall maintain monthly reserve fund statements including detailed accounting of current values, income and all transactions.
8. In the event of any conflict between this Policy and Procedure and the Association's declarations and covenants, or Colorado law, the Association's declarations and covenants and/or Colorado law shall prevail.

IN WITNESS THEREOF, the undersigned certify that this RESERVE FUND INVESTMENT POLICY was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17th day of MARCH, 2017.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: 
President

Attest: 

ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
RESERVE STUDY POLICY
EFFECTIVE 3-17-2017

In compliance with Colorado Statutes, the Board of Directors of The Aspen Brook Townhomes Homeowners Association, Inc. (hereinafter "Association") adopts the following policy for the policy regarding a Reserve Study.

- SUBJECT:** Adoption of a policy related to the Association preparation of a reserve study, whether there is a funding plan for the work recommended by the reserve study, and whether the reserve study will be based on a physical analysis and a financial analysis.
- PURPOSES:** To provide for the creation and review of a reserve study and for the funding of the work recommended by the reserve study.
- AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado Law

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. **Baseline Reserve Study**. Within the next 24 months after this policy is adopted, the Association, with the assistance of a reserve study specialists, will conduct a reserve study, which includes both a physical analysis and a financial analysis as follows:
 - a. The physical analysis includes:
 - i. A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.
 - ii. A condition assessment of each component on the component inventory by on-site inspection.
 - iii. Estimates of the remaining useful life and replacement costs of each component.
 - b. The financial analysis includes:
 - i. An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.
 - ii. A future funding plan to meet the requirements of the reserve study.
2. **Update of the Reserve Study**.
 - a. The Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated by a reserve study specialist at least every five to seven years to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. In determining whether an

update to the reserve study is needed more often than every five to seven years, the Association shall consider the following:

- i. Whether the Association added or replaced any significant common elements.
 - ii. Whether the common elements sustained extreme wear and tear from harsh weather or lack of maintenance.
 - iii. Whether local inflation for materials and labor has substantially increased.
 - iv. Whether the Association has deferred any replacements or moved up replacements from the scheduled dates of replacement.
 - v. Whether reserve income and expenses have occurred as planned.
 - vi. Whether there have been any new technological changes or improved product development that might result in a component change.
- b. In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:
- i. Any special or extraordinary issues facing the community.
 - ii. Increased deterioration in any components beyond normal wear and tear.
 - iii. Economic changes that affect the replacement costs of any component.
 - iv. Whether the Association has kept up with routine maintenance of the components.

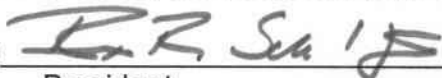
3. **Funding of the Reserve Study.** The reserve study will be funded through regular assessments levied by the Association in connection with the Budget process per Section 6.2 of the Declaration. The Association shall always maintain the reserve at a positive balance, but will endeavor to keep the reserve fully funded (meaning at a balance at or near 100% as determined by the reserve study).

4. **Amendment.**

This Policy may be amended from time to time by the Board.

IN WITNESS THEREOF, the undersigned certify that this RESERVE STUDY POLICY was adopted at a duly called meeting of The Aspen Brook Townhomes Homeowners Association, Inc. held on the 17TH day of MARCH, 2017.

THE ASPEN BROOK TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

BY: 
President

Attest: 